

Report on the

Public Service Commission

Montgomery, Alabama



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September 19, 2007

Senator Larry Dixon
Chairman, Sunset Committee
Alabama State House
Montgomery, AL 36130

Dear Senator Dixon,

This report was prepared to provide information for use by the Sunset Committee in conducting its review and evaluation of the operations of the **Public Service Commission** in accordance with the *Code of Alabama 1975*, Section 41-20-9.

The report contains unaudited information obtained from the management, staff, and records of the **Public Service Commission**, in addition to information obtained from other sources.

Please contact me if you have any questions concerning this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald L. Jones", written in a cursive style.

Ronald L. Jones,
Chief Examiner

Examiner

Tony Yarbrough

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PROFILE

Purpose/Authority

Act 746, Acts of Alabama 1915, created the Public Service Commission. The commission evolved from the Railroad Commission that had been created in 1881 to regulate railroads operating for hire. The Public Service Commission regulates the safety, quality of service, and economic activity of utilities and common carriers. The current statutory authority for operation of the commission is found in the *Code of Alabama 1975*, Title 37, Public Utilities and Public Transportation. The Public Service Commission has responsibility for processing enrollments in Alabama's Do-Not-Call Register

<u>Commission Characteristics</u>	
Members	Three (3) – President and two associate commissioners <i>Code of Alabama 1975</i> , Sections 37-1-1
Term	4 year staggered terms <i>Code of Alabama 1975</i> , Sections 37-1-3(a)
Selection	Elected by qualified electors of the state. <i>Code of Alabama 1975</i> , Sections 37-1-3(a)
Qualifications	Qualified electors of the state
Racial Representation	No statutory requirement
Geographical Representation	No statutory requirement
Consumer Representation	No statutory requirement
Other Representation	No statutory requirement
Compensation	Jim Sullivan, President - \$96,608.88 annual salary Jan Cook, Associate Commissioner - \$90,168.48 annual salary Susan Parker, Associate Commissioner - \$90,168.48 annual salary <i>Code of Alabama 1975</i> , Section 37-1-11 No monthly expense allowances are granted the commissioners. <i>Code of Alabama 1975</i> , Section 37-1-11. Additional compensation of \$1,500 per year is paid to each commissioner for extra, new and additional duties required because of passage of the Unified Carrier Registration Act of 2005. <i>Code of Alabama 1975</i> , Section 37-3-30
<u>Operations</u>	
Administrator	Walter L. Thomas, Jr., Public Service Commission Secretary Annual salary \$98,395.20

Location	100 North Union St. Montgomery, AL 36130
Type of License	Permits to operate regulated entities
Renewal	Permits and certificates remain valid until revoked or surrendered.
Examinations	None
Continuing Education	None
Reciprocity	The commission may negotiate and enter into written reciprocity agreements with other states regarding motor carrier registration fees. <i>Code of Alabama 1975</i> , Section 37-3-32(5)(d)
Personnel	114 (including commissioners)
Legal Counsel	In house attorneys (2 admin law judge, 2 attorneys) 2 private contract attorneys
Subpoena Power	Yes, each of the commissioners and any examiner appointed by the commission may “. . . issue subpoenas; compel the attendance of witnesses and the production of books and papers.” <i>Code of Alabama 1975</i> , Section 37-1-63
Internet Presence	www.psc.state.al.us The commission’s web site contains: <ul style="list-style-type: none"> • Commissioners • News and general information • Consumer information • Energy Division • Telecommunications Division • Administrative Division • Advisory Division • Gas Pipeline Safety • Transportation Division • Alabama’s Do-Not-Call Register • PSC Calendar • Consumer Toll-Free Complaints Hotline • Search for PSC Orders • Certified Telephone Areas • Dockets Administrative rules (found on any of the first 8 links)
Attended Board Member Training	Insurance & Regulations Supervisor (8/12/03)

<u>Financial Information</u>	
Source of Funds	Regulation and inspection fees
State Treasury	Yes, Special Revenue Fund 325 (Gas Pipeline Safety Program) Special Revenue Fund 326 (PSC Operations Fund)
Unused Funds	<p>Routine language in annual appropriations to the commission requires that any “surplus” in its operating fund exceeding a named amount must be transferred to the state’s General Fund.</p> <p>General Appropriation Act 2006-335 provides that, “Any surplus remaining in the Alabama Public Service Commission Fund at the end of the fiscal year in excess of \$600,000 shall be transferred to the State General Fund.”</p> <p>The commission’s Gas Pipeline Safety Fund retains all unused funds at fiscal year end.</p>

SIGNIFICANT ITEMS

1. The commission stated that the state’s Communications Reform Act (Act 2005-110) limited the commission’s pricing jurisdiction for many retail services and eliminated the APSC’s authority over the pricing of bundled communication services and contract offerings. The commission stated that the full effect on consumers, in terms of pricing, will not be fully realized until calendar year 2008. The commission stated that the Act has provisions allowing automatic, annual price increases for basic services and optional telephone features beginning in January 2008.

The commission further stated that the Act has affected [reduced] the workload of the APSC Telecommunications Division in some areas, especially tariffs management. The commission stated that this is because a smaller number of services must be tariffed by providers. The commission stated that the staff is still fully engaged in the certification and regulation of providers. The commission stated that some of the workload reduction due to diminished tariff requirements appears to have been offset by an increase in consumer inquiries requiring staff investigation.

The act includes in its stated purpose the following language, “...to limit the jurisdiction of the Public Service Commission over certain telecommunications services offered by local exchange carriers and intrastate inter-exchange carriers; to specify that certain telecommunications would not be subject to the jurisdiction of the Public Service Commission...”

Further discussion of this issue by the commission is presented in the section of this report entitled Reduction of Commission Jurisdiction by Act 2005-110.

2. Legislation was introduced by the commission in the 2007 Legislative Session to extend the jurisdiction of Public Service Commission Enforcement Division Officers - SB107 and HB177 were introduced in the Legislature to remove the limit on the powers of officers of the Enforcement Division of the Public Service Commission to enforce only Title 37 of the *Code of Alabama 1975* and rules of the Public Service Commission and give them the general powers of a peace officer statewide. The bill also specifies that the officers must meet the minimum standards of peace officers.

If successful, the bill would apparently have extended the authority of the enforcement officers to act as law enforcement officers beyond the regulatory jurisdiction of the Public Service Commission. The bill was not successful.

The commission's enforcement officers are uniformed and operate from law enforcement style vehicles. According to the commission, they are all currently POST certified due to an internal policy. All seven (7) of the enforcement officers are assigned a vehicle for patrol. One extra vehicle is maintained as a backup.

Title 37 of the *Code of Alabama 1975* contains the commission's enabling statutes that include Section 37-1-66, which states that, "Members of the enforcement division of the Public Service Commission designated in writing by the Public Service Commission shall have the powers of peace officers and deputy sheriffs in this state, and may exercise such powers anywhere within the state *as to the provisions of this title and as to the rules and regulations of the Public Service Commission only.*"

The commission stated that this legislation was sought because:

- The enforcement officers operate statewide and often encounter blatant violations of law outside their jurisdiction and are expected to act upon them.
- A new federal Unified Carrier Registration program includes the enforcement officers checking for registration of motor carriers to operate in the state. With the added powers, the officers could also check private motor carriers [now exempted] for safety violations. [The *Code of Alabama 1975*, Section 37-3-4 includes an extensive list of motor carriers that are not subject to PSC regulation.]

3. Public access to commission order decisions has been affected by the Attorney General's interpretation of the Open Meetings Act. Most documents signed by at least two commissioners are now interpreted as a "vote" of the commission which can only be accomplished at a properly noticed public meeting of the commission. The commission describes this condition as follows.

In December 2005, it was brought to the attention of the Commission that an order suspending the effective date of a utility tariff was circulated, signed and served on the affected utility without that matter having been the subject of a formal "vote" of the Commission at a properly noticed public meeting. Prior to that point, and the passage of the Alabama Open Meetings Act ("OMA") of 2005, such orders were occasionally signed

by the Commission without a formal vote at a public meeting in order to prevent tariffs from becoming effective by operation of law thereby precluding meaningful consideration and/or discussion of the matters contained therein at a public meeting. The APSC was aware of the requirements of the OMA, but did not interpret the provisions of the OMA to require perfunctory decisions not involving the "expenditure of public funds" or "deliberations" to be addressed exclusively at properly noticed public meetings and voted on at such meetings. After consultation with representatives from the Office of the Attorney General of Alabama (the "AG"), the APSC learned that the AG interpreted §36-25A-5(b) of the *Code of Alabama* 1975 to mean that most documents signed by at least two of the APSC's Commissioners constituted a "vote" of the Commission which could only be accomplished at a properly noticed public meeting of the Commission.

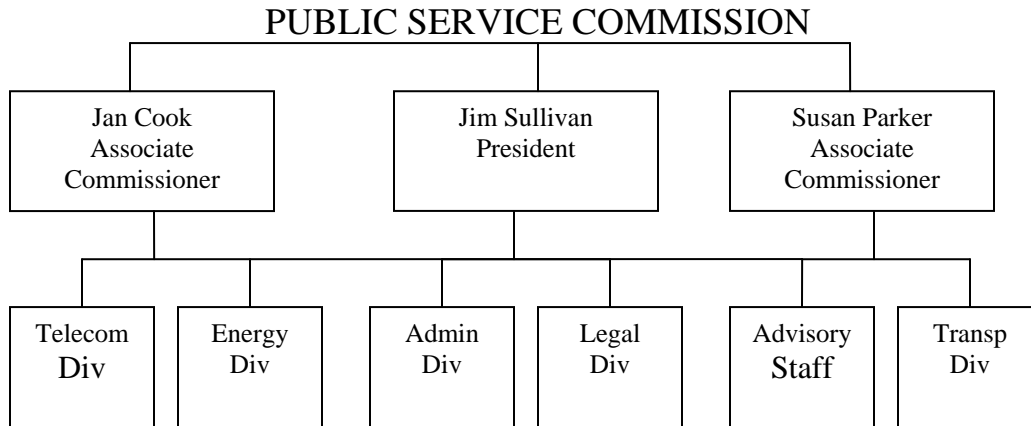
At the December 2, 2005 meeting of the Commission where the above matters were discussed, the Commission indeed indicated an intention to seek an AG's opinion that would give clarity as to what constituted a "vote" of the Commission pursuant to *Code* §37-25A-5(b). Following more informal discussions with the AG regarding that issue, however, the Commission received more insight into the AG's interpretation that the signature of at least two Commissioners on virtually all documents produced by the commission constitutes a "vote" which should be performed at a properly noticed public meeting. The APSC accordingly abandoned efforts to formally seek further clarification and/or relief and instituted the practice of bringing virtually all matters that require a signature from at least two Commissioners before the Commission for a formal vote at a properly noticed public meeting. That has been the policy of the APSC since the December 2, 2005 Commission meeting and will remain so given the fact that the ultimate objective of the APSC is to comply with the spirit and letter of the OMA as that law is interpreted by the Attorney General of Alabama.

4. A delay in federal implementation of a new system for registration of interstate motor carriers (Uniform Carrier Registration - UCR) has caused a shortfall of funding for the Public Service Commission. The commission has changed its processes to incorporate the new system; however, a delay in federal implementation of the new system is delaying receipt of motor carrier registration fees by the Public Service Commission. The commission stated that it has done everything possible to assist the UCR's board of directors in fulfilling its UCR implementation responsibilities. The commission stated that delays at the Federal Motor Carrier Safety Administration have resulted in delayed implementation of UCR. The end result is that the APSC has not yet received the revenues anticipated from UCR during Fiscal Year 2007. The commission stated that it now appears that the APSC will begin to receive UCR revenues though perhaps not in Fiscal Year 2007.

STATUS OF PRIOR FINDINGS & SIGNIFICANT ITEMS

All prior findings have been resolved.

ORGANIZATION



PERSONNEL

Number	Classification
3 Commissioners	Non-Merit System (Exempt)
4	Unclassified Merit System
100	Classified Merit System
7	Act 44 (1)
Total = 114	

(1) Act 77-44, Acts of Alabama 1977, codified as *Code of Alabama 1975*, Section 37-1-12.1 provides for the hiring of professional staff outside the classified service of the state's Merit System. This statute was subjected to declaratory judgment in case CV-86-1798-PR the Circuit Court of Montgomery County resulting in an order dated July 16, 1987. The order provides the qualifications for the various classes of employees, limits the total number of Act 44 employees to 15, sets the pay range for the employees, and specifies that they will otherwise be treated as unclassified employees within the state's Merit System. Unclassified employees receive all merit system benefits, except that they serve at the pleasure of the appointing authority.

Legal services are provided by two administrative law judges and two attorneys on staff, in addition to private attorneys who provide legal services under professional services contracts.

Public Service Commission Personnel

Classification	W/M	W/F	B/M	B/F	Total
Commissioner	1	2			3
PSC Secretary			1		1
Executive Assistant III	1				1
Executive Assistant	1				1
Executive Secretary		1			1
Technical Assistant		1	1		2
Public Information Specialist				1	1
ASA III		6		3	9
ASA II		2	1	4	7
ASA I		2		1	3
Laborer			1		1
Clerk Steno III		5			5
Clerk Steno IV		1			1
Senior Accountant	1	1			2
Accountant	1	1		2	4
Account Clerk		2	1		3
CPA			1		1
Chief Administrative Law Judge	1				1
Administrative Law Judge	1				1
Departmental Operations Specialist	1				1
Attorney III		1			1
PSC Attorney	1				1
Transportation Enforcement Supervisor			1		1
Transportation Enforcement Officer II	4				4
Transportation Enforcement Officer I	1		1		2
Advisory Staff Director		1			1
Transportation Division Director	1				1
Energy Division Director				1	1
Telecommunications Division Director	1				1
Public Information Specialist	1				1
Consumer Services Manager				1	1
Consumer Services Specialist		1		1	2
Public Utility Analyst Manager	5	1			6
Public Utility Analyst III	6		1	1	8
Public Utility Analyst II	2	2	1		5
Public Utility Technical Specialist, Sr.	1		1		2
Public Utility Field Technician, Sr.	3				3
Public Utility Field Technician	4		1		5
IT Systems Specialist, Sr.		1			1
Programmer/Analyst Associate		1			1
IT Systems Technician				1	1
Personnel Assistant		1			1
Rate Analyst			1		1
Transportation Regulatory Manager	2				2
Transportation Rate Specialist	1				1
Railway Safety Inspector	2		1		3
Gas Pipeline Safety Administrator	1				1
Pipeline Safety Investigator Supervisor	2				2
Pipeline Safety Investigator, Sr.	4	1			5
Total Employees (as of July 11, 2007)	50	34	14	16	114

W/M – White Male

W/F – White Female

B/M – Black Male

B/F – Black Female

PERFORMANCE CHARACTERISTICS

Number of Regulated Entities per Employee – 461

Total Operating Expenditures per Regulated Entity (2006 Fiscal Year) - \$192

Number of Persons per Regulated Entity in Alabama and Surrounding States

	Population (Estimate)*	Number of Regulated Entities	Persons per Regulated Entity
Alabama	4,599,030	52,571⁽¹⁾	87
Florida	18,089,888	1,925 ⁽²⁾	9,397
Georgia	9,363,941	2,503 ⁽³⁾	3,741
Mississippi	2,910,540	1507 ⁽⁴⁾	1,931
Tennessee	6,038,803	738 ⁽⁵⁾	8,183

* July 1, 2006 Census Bureau Population Estimates Report

⁽¹⁾ Includes 51,746 motor carriers.

Source: *Alabama Public Service Commission*, June 30, 2007

⁽²⁾ Includes wastewater. Florida PSC **does not regulate motor carriers**.

Source: *Overview and Key Facts*. <http://www.psc.state.fl.us>

⁽³⁾ Georgia PSC **does not regulate** water, wastewater, or motor carriers.

Source: *Introduction to the Georgia PSC*. <http://www.state.ga.us>

⁽⁴⁾ Includes wastewater. Mississippi PSC **does not regulate motor carriers**.

Source: *MSPSC 2006 Annual Report*. <http://www.state.ms.us>

⁽⁵⁾ Includes wastewater. Tennessee Regulatory Authority **does not regulate motor carriers**.

Source: *TRA 2005-2006 Annual Report*. <http://www.tennessee.gov/tra/trareports.htm>

Notification to Licensees of Board decisions to Amend Administrative Rules

The commission is made exempt from the requirements of the Administrative Procedure Act by language within the Administrative Procedure Act. Administrative rules are posted on the commission's Internet website.

Complaints

The commission describes its complaint procedures as follows.

There is an informal and a formal complaint track, as specified in Rule 9 of the APSC's *Rules of Practice*. The rule encourages complainants to utilize the informal track before resorting to a formal complaint because the informal track allows for more discussion and participation by the APSC staff with both the complainant and the party complained against. After a formal complaint is filed, there is less opportunity for APSC staff intervention because more stringent due process requirements preclude discussion of the merits of matters scheduled for hearing without all parties to the complaint being allowed

to participate. Complainants are free to file a formal complaint at any time, including after an informal attempt at resolution has proven ineffective.

Both the informal and formal complaint proceedings normally deal with billing disputes and/or the interpretation/application of commission rules, regulations and/or guidelines. Violations of commission rules, regulations and guidelines are normally addressed through the regular investigative functions of the various divisions.

The PSC received 1, 3, 7, and 5 formal complaints in 2003, 2004, 2005 and 2006 respectively. All formal complaints are closed.

2004 Informal Complaints (Selected Listings):

Complaint Type	Alabama Power	Median Days To Resolution	Alagasco	Median Days To Resolution	Mobile Gas Service	Median Days To Resolution
Billing Problems	90	7.5	44	4	7	4
Deposit	16	3	4	2		
High Bills	51	10	53	6	12	3.5
Inquiries	107	3	100	1.5	2	40
Needs Service	75	4	35	2	3	0
No Jurisdiction	13	8			1	25
Non-Pay Disconnect	40	1.5	26	3	3	5
Other	80	5	14	2	2	9
Payment Arrangement	186	1	50	1	9	1
Service Problems	65	8	1	5	2	15.5
Complaint Type	AT&T	Median Days To Resolution	BellSouth	Median Days To Resolution	MCI	Median Days To Resolution
900/Pay Per Call	3	55			1	21
Billing Problems	206	10	207	14	67	14
Cramming			1	3		
Denied Toll	7	11	2	3	1	15
Deposit	1	6	2	32		
High Bills	3	12	3	8		
Inquiries	27	9	170	9	9	4
Needs Service	27	10	119	9	12	12
No Jurisdiction	4	2.5	14	4		
Non-Pay Disconnect	8	9.5	15	9	4	7.5
Other	55	7	172	11	25	15
Payment Arrangement	10	9	13	8	1	8
Service Problems	40	9	304	8	18	10.5
Slamming	92	14	7	5	22	13.5

2005 Informal Complaints (Selected Listings):

Complaint Type	Alabama Power	Median Days To Resolution	Alagasco	Median Days To Resolution	Mobile Gas Service	Median Days To Resolution
Billing Problems	96	5	51	6	4	1
Deposit	16	3.5	3	0		
High Bills	57	6	33	8	11	5
Inquiries	104	5	119	5	8	11.5
Needs Service	67	5	23	5	2	10
No Jurisdiction	3	5				
Non-Pay Disconnect	69	3	24	1.5	1	5
Other	62	7	18	4	1	0
Payment Arrangement	151	1	23	1	1	0
Service Problems	77	8	7	4		
Complaint Type	AT&T	Median Days To Resolution	BellSouth	Median Days To Resolution	MCI	Median Days To Resolution
900/Pay Per Call					2	19
Billing Problems	95	15	236	13	67	15
Cramming			2	5.5	1	43
Denied Toll	1	153				
Deposit			1	24		
High Bills	1	16	7	12	1	342
Inquiries	11	9	163	7	16	18
Needs Service	8	5	58	8.5	11	17
No Jurisdiction			16	12.5		
Non-Pay Disconnect	1	7	18	12.5	4	19
Other	14	15	155	10	34	14.5
Payment Arrangement	3	14	11	10		
Service Problems	31	8	384	9	20	12
Slamming	11	30	6	23	13	14

2006 Informal Complaints (Selected Listings):

Complaint Type	Alabama Power	Median Days To Resolution	Alagasco	Median Days To Resolution	Mobile Gas Service	Median Days To Resolution
Billing Problems	87	17	61	14	6	74
Deposit	16	14	4	14		
High Bills	40	20	81	26	10	9.5
Inquiries	197	10	269	16	17	6
Needs Service	42	12	26	33.5	2	3.5
No Jurisdiction	2	0.5				
Non-Pay Disconnect	54	5.5	19	34	1	42
Other	44	15	7	28	2	161.5
Payment Arrangement	86	1.5	81	13		
Service Problems	45	12	5	6		

Complaint Type	AT&T	Median Days To Resolution	BellSouth	Median Days To Resolution	MCI	Median Days To Resolution
900/Pay Per Call			1	20		
Billing Problems	48	27	207	16	25	14
Cramming	1	33	1	21		
Denied Toll					1	267
Deposit	1	37				
High Bills	1	8	2	13.5	1	19
Inquiries	18	7	182	10	16	11
Needs Service	4	23.5	51	11	5	7
No Jurisdiction			2	62.5	1	0
Non-Pay Disconnect	1	74	16	36	1	46
Other	8	16	83	20	9	20
Payment Arrangement	2	107	5	62	1	37
Service Problems	8	75	183	17	8	79.5
Slamming	3	15	3	4	3	35

2007 Informal Complaints (Selected Listings through August 21, 2007):

Complaint Type	Alabama Power	Median Days To Resolution	Alagasco	Median Days To Resolution	Mobile Gas Service	Median Days To Resolution
Billing Problems	53	12	39	19	2	10.5
Deposit	10	5	3	70		
High Bills	31	16	27	16	1	38
Inquiries	154	6	131	7	7	32
Needs Service	16	15.5	9	7	1	3
No Jurisdiction	8	2.5				
Non-Pay Disconnect	29	4	8	11.5	2	1
Other	18	9	1	20	1	7
Payment Arrangement	7	2	4	3		
Service Problems	34	19.5	3	17		
Complaint Type	AT&T	Median Days To Resolution	BellSouth	Median Days To Resolution	MCI	Median Days To Resolution
900/Pay Per Call						
Billing Problems	94	14	21	30	23	20
Cramming					1	17
Denied Toll						
Deposit	1	27	1	9		
High Bills	2	11				
Inquiries	94	6	22	10.5	7	16
Needs Service	8	9	3	13	2	26
No Jurisdiction	11	19				
Non-Pay Disconnect	15	29	8	37.5		
Other	30	19.5	3	30		

Payment Arrangement	1	6				
Service Problems	56	9	19	19	2	8
Slamming					3	11

Complaint Process

Investigative Phase	<p>The Consumer Services Section (CSS) staff members investigate complaints regarding the operation, services, and billings of regulated utility companies. This section also has the responsibility of processing enrollments in Alabama's Do-Not-Call Register, with the supervisor serving as coordinator for the program. The CSS staff resolves consumer complaints, provides information to consumers about the utility regulatory functions of the commission, and interprets and conveys the views and opinions of utility consumers to the commissioners for consideration in regulatory matters.</p> <p>A complaint may be initiated by phone, letter, fax, e-mail, or office visit from the complainant. Information regarding the details of the complaint is recorded on a complaint form and is forwarded to the commission's contact with the appropriate utility for comments and findings. When a complaint is filed, the complainant is interviewed to obtain the circumstances and allegations involved. After reviewing and/or investigating the facts, the staff determines the appropriate action needed to resolve the complaint. A written report is prepared citing details of the complaint and the disposition. Field investigations are routinely conducted. After gathering and considering information from the utility involved, a determination is made as to whether a violation of any rule or regulation has occurred. After determination is made, action is recorded on the complaint report form. The complainant is notified of the results and the file is closed.</p>
Anonymous Complaints	The commission does not investigate anonymous complaints.

<p>Recommendation and Board Action Phase</p>	<p>When formal complaints that comply with the requirements of Rule 9 of the APSC <i>Rules of Practice</i> are filed, Rule 11 of the <i>Rules of Practice</i> dictates that any respondent against whom a complaint is directed by the secretary of the commission must plead or answer such complaint within thirty (30) days. All answers must admit or deny the truth of all material allegations of the complaint and may set forth any additional facts or matters material to the issue in question. Claims that are not denied are deemed admitted.</p> <p>Once an answer is filed by a respondent, an administrative law judge (ALJ) in the commission's legal division considers all representations made in the complaint and the answer thereto. The ALJ then formulates a recommendation to the commission on the course of action that should be taken. The recommended courses of action can include, but are not necessarily limited to, dismissal of the complaint based on jurisdictional grounds, referral of the matter to commission-supervised mediation, or the establishment of an evidentiary hearing. These recommendations are considered by the commission and voted on at a properly noticed public meeting.</p> <p>In scenarios where complaints proceed to hearing, the presiding ALJ will formulate a recommendation to the commission based on the record compiled in the case. The commission then considers the ALJ's recommendation at a public meeting and votes to reject, accept and/or modify the ALJ's recommendation.</p>
<p>Resolution Phase</p>	<p>Complaints resulting in a determination that a violation of commission rules occurred are resolved with a negotiated settlement, administrative, order or fine. The determinations of the commission regarding a complaint are reflected in an order that can be appealed to state court and, in certain telecommunications cases, to federal court.</p>
<p>Communication with Complainants</p>	<p>All complainants are notified of the resolution of their complaints in the manner in which the complaint was received by the PSC (i.e., telephone, mail, email, fax, etc.). Respondents are not notified upon the resolution of a complaint.</p>

SMART BUDGETING

Acts of Alabama, 2004-50 (HJR89) states, “That all state agencies and entities receiving legislative appropriations are requested to submit to the Joint Legislative Budget Committee budget proposals for the 2005-2006 fiscal year to be submitted to the 2005 Regular Session and for each succeeding fiscal year. The Director of Finance is requested to inform each public agency or entity of our desires concerning this matter.”

To comply with this request, the Director of Finance implemented a system of budgeting that requires each agency to report its performance, the system to be named SMART, an acronym for Specific, Measurable, Accountable, Responsive, and Transparent.

As a part of the SMART Budgeting system, each agency is required to submit its goals and objectives to the Department of Finance – the goals to be stated as long-term, multi-year targets which are to be achieved through accomplishment of stated objectives, which are single-year targets. In order to report progress, the goals and objectives must necessarily be designed so that the agency can measure annual progress toward their achievement. The SMART Budgeting system includes an Operations Plan and a Quarterly Performance Report. The performance report presents information on achievement of an agency’s annual objectives, and is the SMART Budgeting report that presents performance information. If an agency has not included at least one objective for each goal, performance relative to that goal will not be reported. For the 2006 fiscal year, each licensing/regulatory agency was required to have at least one goal and one or more objectives directly related to the goal. Additional annual objectives were allowed without corresponding goals. The commission’s Operations Plans and Quarterly performance Reports are presented in the appendices of this report.

Among agencies that were not used to reporting performance, we found confusion as to how to design the goals and objectives and how to differentiate between goals and objectives. Routinely we found goals with no directly related objectives. Both goals and objectives were often too abstract to be measurable, and progress toward their achievement could not be meaningfully reported. The Department of Finance is aware of these deficiencies and is taking remedial steps.

In these respects, the Public Service Commission was no exception. Some goals were not accompanied by directly related objectives. Some goals and objectives were abstract, and progress toward their achievement could therefore not be measured and reported. The commission’s design of goals and objectives for the 2007 fiscal year did not improve and remain inadequate to show the commission’s performance.

The commission submitted a 2006 and 2007 Operations Plan and data for the SMART Quarterly Performance Report. Goals and projected performance data for the commission’s objectives for the year are presented in the Operations Plan. Actual performance toward achievement of objectives for 2006 is presented on the commission’s 2006 Quarterly Performance Report.

The commission’s performance goals and objectives for the 2006 and 2007 fiscal years and the examiner’s comments are presented in the following table.

2006

ACTIVITY # 1, ADMINISTRATIVE SERVICES	
2006 GOALS	COMMENTS
1. To consistently apply and enforce Commission procedures and regulations to provide safe, adequate and reliable services at affordable rates for consumers and also to adequately compensate utilities and motor carriers.	<ul style="list-style-type: none"> • This is a statement of the commission's mission, not a performance goal. • No long-term target level of performance. • Not measurable. • No directly related objective • Progress toward achievement is not reported.
2. To provide timely review of all matters before the Commission.	<ul style="list-style-type: none"> • No long-term target level of performance. • No directly related objective • Progress toward achievement not reported.
3. To provide timely and quality assistance to consumers regarding utility complaints and inquiries.	<ul style="list-style-type: none"> • No long-term target level of performance. • No directly related objective • Progress toward achievement not reported.
4. To ensure that the APSC's statutory duties and responsibilities are carried out and enforced in a manner that balances the interests of the regulated companies with the interests of the consumers those utilities serve.	<ul style="list-style-type: none"> • This is a statement of the commission's mission, not a performance goal. • Does not address how well an activity is done. • Not measurable. • No directly related objective • Progress toward achievement is not reported.
5. To provide timely and accurate responses to legal/regulatory inquiries by the APSC Commissioners, staff, regulated companies and the consumers.	<ul style="list-style-type: none"> • No long-term target level of performance. • No directly related objective • Progress toward achievement not reported.
6. To render timely and accurate recommendations/decisions on pending applications, certification proceedings, complaints and investigations.	<ul style="list-style-type: none"> • No long-term target level of performance. • No directly related objective • Progress toward achievement not

	reported.
7. To provide the Commissioners with relevant information and alternatives related to issues brought before the APSC.	<ul style="list-style-type: none"> • This is a statement of normal work rather than a performance goal. • No long-term measurable target. • No directly related objective. • Progress toward achievement not reported.
8. To provide the Commissioners and staff with information on all federal and state matters relevant to the APSC.	<ul style="list-style-type: none"> • This is a statement of normal work rather than a performance goal. • No long-term measurable target. • No directly related objective. • Progress toward achievement not reported.
9. To provide data processing, personnel and financial services for the APSC to ensure operations run smoothly and efficiently.	<ul style="list-style-type: none"> • This is a statement of normal work rather than a performance goal. • No long-term measurable target. • No directly related objective. • Progress toward achievement not reported.

2006 OBJECTIVES	ACTUAL PERFORMANCE	COMMENTS
1. Post all major recommendations/decisions to the internet to minimize resources expended on copying and verbal inquiries.	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • This is a statement of what should be done rather than how well it is done. • Not a performance objective.
2. Percent (67%) of budget spent for administrative services.	<ul style="list-style-type: none"> • 49% 	<ul style="list-style-type: none"> • Not a performance objective. • Completion does not indicate improved performance.
3. Maintain number of motor carrier safety inspections (300) per officer.	<ul style="list-style-type: none"> • 273 inspections per officer. 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate.
4. Respond to 90% of the written inquiries by staff, utility representatives and consumers within 30 days.	<ul style="list-style-type: none"> • 91% 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate

5. Render 100% of the written recommendations that must be made on contested matters within 90 days of the submission of the final pleadings	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate. • Average reader will not know what “render” means.
6. Respond to 90% of the verbal inquiries by staff, utility representatives and consumers by the next business day.	<ul style="list-style-type: none"> • 92% 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate..
7. Respond to 90% of complaints within five business days.	<ul style="list-style-type: none"> • 34% 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate..

ACTIVITY # 2, GAS PIPELINE SAFETY	
2006 GOALS	COMMENTS
1. To maintain compliance with the Minimum Federal Gas Pipeline Safety Standards.	<ul style="list-style-type: none"> • This is a statement of the commission’s mission, not a performance goal. • Does not address how well an activity is done. • Not measurable. • No directly related objective • Progress toward achievement is not reported.
2. To promote safe operations within natural gas and hazardous liquid facilities.	<ul style="list-style-type: none"> • This is a statement of normal work rather than a performance goal. • No long-term measurable target. • No directly related objective. • Progress toward achievement not reported.
3. To prevent incidents due to operator error.	<ul style="list-style-type: none"> • This is a statement of normal work rather than a performance goal. • No long-term measurable target. • No directly related objective. • Progress toward achievement not reported.
4. To strengthen our pipeline safety program through education and training.	<ul style="list-style-type: none"> • This is a statement of normal work rather than a performance goal. • No long-term measurable target. • No directly related objective. • Progress toward achievement not

	reported.
5. To establish liaison with operators through education and training.	<ul style="list-style-type: none"> • This is a statement of normal work rather than a performance goal. • No long-term measurable target. • No directly related objective. • Progress toward achievement not reported.
6. To maintain adequate staffing in accordance with federal guidelines.	<ul style="list-style-type: none"> • This is a statement of normal work rather than a performance goal. • Does not address how well an activity is done. • No long-term measurable target. • No directly related objective. • Progress toward achievement not reported.
7. To provide employee/inspector training at the Transportation Safety Institute within the first 3-1/2 years of employment.	<ul style="list-style-type: none"> • Does not address how well an activity is done. • No directly related objective. • Progress toward achievement not reported.
8. To promote underground damage prevention through a "Dig Safely" campaign.	<ul style="list-style-type: none"> • This is a statement of normal work rather than a performance goal. • Does not address how well an activity is done. • No long-term measurable target. • No directly related objective. • Not measurable.
9. To maintain program files and records in a secure, readily accessible location.	<ul style="list-style-type: none"> • This is a statement of normal work rather than a performance goal. • Does not address how well an activity is done. • No long-term measurable target. • No directly related objective. • Progress toward achievement not reported.

2006 OBJECTIVES	ACTUAL PERFORMANCE	COMMENTS
1. Maintain number of inspections (154) per investigator.	<ul style="list-style-type: none"> • 150 inspections 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate.
2. Maintain or reduce cost (\$934) per inspection.	<ul style="list-style-type: none"> • \$730.25 per inspection. 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate.

3. Maintain adequate inspection ratio, person-days/total program person-days (above or equal of .38)	<ul style="list-style-type: none"> .578% 	<ul style="list-style-type: none"> Objective likely appropriate, but too confusing for average reader without further explanation.
4. Have 100% of new employees fully trained within 3.5 years.	<ul style="list-style-type: none"> 100% 	<ul style="list-style-type: none"> This is a goal rather than an objective. Objectives are for one year only.
5. Inspect 100% of operators each year.	<ul style="list-style-type: none"> 100% 	<ul style="list-style-type: none"> This appears to be a statement of work to be done rather than how well it is done. Appears not to be a performance objective.
6. Investigate 100% of gas pipeline incidents.	<ul style="list-style-type: none"> 100% 	<ul style="list-style-type: none"> This appears to be a statement of work to be done rather than how well it is done. Appears not to be a performance objective.

ACTIVITY # 3, ENERGY DIVISION	
2006 GOALS	COMMENTS
1. To develop electric, natural gas and water utility rates and charges for services that are below the national average rates; such that a favorable business climate will be created to facilitate the rapid expansion of economic development in Alabama.	<ul style="list-style-type: none"> Is a statement of the commission's mission, not a performance goal. No measurable target. Does not address how well a commission activity is done.
2. To be recognized by the citizens of Alabama as providing an efficient, accountable, responsive and trusted public service.	<ul style="list-style-type: none"> Does not address how well a commission activity is done. No measurable target. No directly related objective.

3. To ensure that an adequate and reliable supply of electric energy, natural gas, and water is available to the citizens of Alabama.	<ul style="list-style-type: none"> • Is a statement of the commission's mission, not a performance goal. Does not address how well a commission activity is done. • No measurable target. • No directly-related objective. • Progress toward achievement not reported.
4. To develop rates and charges for services that are fair and equitable so that the interests of both utilities and consumers are properly balanced.	<ul style="list-style-type: none"> • Is a statement of the commission's mission, not a performance goal. Does not address how well a commission activity is done. • No measurable target. • No directly-related objective. • Progress toward achievement not reported.

2006 OBJECTIVES	ACTUAL PERFORMANCE	COMMENTS
1. In-State travel and out-of-state travel not to increase by more than 15%.	<ul style="list-style-type: none"> • 52.81% 	<ul style="list-style-type: none"> • Not a performance goal. • Does not address how well an activity is done.
2. Cost (\$62,885) per regulated company.	<ul style="list-style-type: none"> • \$58,643.00 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate.
3. Issue 95% of recommendations within 30 days of the completion of analyses, investigations, and receipt of all necessary information.	<ul style="list-style-type: none"> • 96.88% 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate.
4. Percentage of Alabama electric rates (22%) below the national average.	<ul style="list-style-type: none"> • 18.57% 	Achievement of objective does not clearly indicate whether performance has improved.

ACTIVITY # 4, TELECOMMUNICATIONS DIVISION	
2006 GOALS	COMMENTS
1. To provide the regulation necessary that ensures broadband telecommunications infrastructure and services are ubiquitously available in Alabama.	<ul style="list-style-type: none"> • Is a statement of the commission's mission, not a performance goal. • Does not address how well a commission activity is done. • Not measurable. • No directly related objective • Progress toward achievement not reported
2. To provide the regulation necessary that ensures Alabama ratepayers receive the highest possible telecommunications service quality.	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal. Does not address how well a commission activity is done. • No directly related objective • Progress toward achievement not reported.
3. To provide the regulation necessary that ensures modern telecommunications services are available at affordable prices.	<ul style="list-style-type: none"> • No measurable standard to be achieved. • No directly-related objective • Progress toward achievement not reported.

2006 OBJECTIVES	ACTUAL PERFORMANCE	COMMENTS
1. Total cost (\$2,341) per regulated company.	<ul style="list-style-type: none"> • \$2,439.00 per regulated company. 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate.
2. Complete review of 90% of proposed service agreements within 60 days.	<ul style="list-style-type: none"> • 95% 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate.

ACTIVITY # 5, TRANSPORTATION DIVISION	
2006 GOALS	COMMENTS
1. To conduct sufficient carrier record and compliance reviews.	<ul style="list-style-type: none"> • Is a statement of the commission's mission, not a performance goal. • Does not address how well a commission activity is done. • Not measurable. • No directly related objective • Progress toward achievement not reported
2. To maintain carrier tariffs for public review and inspection.	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal. • Does not address how well a commission activity is done. • No directly related objective • Progress toward achievement not reported.
3. To accurately measure, assess and report conditions of railroad track, structure, and rolling stock.	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal. • No measurable standard to be achieved. • No directly-related objective • Progress toward achievement not reported.
4. To accurately complete required forms (electronically or paper).	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal. • No measurable standard to be achieved.
5. To transfer data gathered to Federal Railroad Administration in a timely manner.	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal. • No measurable standard to be achieved.
6. To ensure safe and efficient operation of trains.	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal. • No measurable standard to be achieved.

7. To receive, review, and process all applications to register authority and receive registration numbers; and respond to the applicant within two weeks.	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal. • No measurable standard to be achieved.
8. To be accountable to the public by journalizing all monies received and recording the distribution into the various balance sheet accounts according to guidelines provided by the Examiners of Public Accounts daily.	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal. • No measurable standard to be achieved.
9. To collect and distribute fees for other states according to reciprocity agreements, and generate prescribed reports of distribution monthly.	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal • No measurable standard to be achieved.
10. To receive all insurance filings daily, determine if they are applicable to the registered motor carriers and in compliance with filing requirements.	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal. • No measurable standard to be achieved.
11. To review records daily for motor carriers out of compliance and initiate proceedings to revoke the authority where applicable.	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal. • No measurable standard to be achieved.
12. To review records daily for motor carriers now found to be in compliance that should be reinstated.	<ul style="list-style-type: none"> • Is a workload statement, not a performance goal. • No measurable standard to be achieved.
13. Each inspector to perform a minimum of 100 safety inspections.	<ul style="list-style-type: none"> • Goal appears appropriate

2006 OBJECTIVES	ACTUAL PERFORMANCE	COMMENTS
1. Labor cost (\$6,670) per railroad.	<ul style="list-style-type: none"> • \$7,531.00 per railroad. 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate.
2. Budget cost (\$73,157) per staff member.	<ul style="list-style-type: none"> • \$76,192 per staff member. 	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate.

3. Number of railway safety inspections (120) per inspector.	<ul style="list-style-type: none"> No data reported. 	<ul style="list-style-type: none"> Objective appears appropriate.
4. Increase number of audits (100) conducted to assure compliance.	<ul style="list-style-type: none"> 80 	<ul style="list-style-type: none"> Objective is not clear if 100 is the increase or the target total number of audits.
5. Reduce number (5) of railroad accidents.	<ul style="list-style-type: none"> 9 	<ul style="list-style-type: none"> Objective appears appropriate in form, but not clear if PSC activities are the primary factor in the statistic.
6. Increase ratio (72) of reinstatements versus revocations.	<ul style="list-style-type: none"> 50% 	<ul style="list-style-type: none"> Achievement does not indicate improved performance by the PSC.
7. Improve ratio (65) of net authority gain/loss versus new applications.	<ul style="list-style-type: none"> 34% 	<ul style="list-style-type: none"> Not clear to average reader what is being measured.

2007

ACTIVITY 0024 – ENERGY	
2007 GOALS	COMMENTS
1. To assist the Commission with maintaining just and reasonable utility rates and services.	<ul style="list-style-type: none"> Not a performance goal. Does not address how well a commission activity is done. No measurable target level of performance. No directly related objective.
2. To make well founded recommendations to the Commission.	<ul style="list-style-type: none"> Not a performance goal. Does not address how well a commission activity is done. No measurable target level of performance. No directly related objective.
3. To provide an efficient, accountable, responsive and trusted public service.	<ul style="list-style-type: none"> Not a performance goal. Does not address how well a commission activity is done. No measurable target level of performance. No directly related objective.

2007 OBJECTIVES	FY 2007 TARGET	COMMENTS
1. In-state travel and out-of-state travel not to increase by more than 5%.	\$24,000	<ul style="list-style-type: none"> • Completion does not indicate improved performance. • Unit of measure differs (percent v. dollars spent)
2. Issue 95% of recommendations within 30 days of the completion of analyses, investigations, and receipt of all necessary information.	95%	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate.
3. Present 90% of cases to the Commission for action within 45 days of filing.	90%	<ul style="list-style-type: none"> • Objective and reported performance appear appropriate.

ACTIVITY 0026 – TELECOMMUNICATIONS	
2007 GOALS	COMMENTS
1. Maintain regulation of telecommunications companies to provide the consumer with representation while allowing the regulated companies the flexibility to meet competition.	<ul style="list-style-type: none"> • Not a performance goal. Does not address how well a commission activity is done. • No measurable target level of performance. • No directly related objective.
2. Place more emphasis on inspection of telephone company facilities and review of books and records for Universal Service Funds. The Universal Service Fund is a Federal mandate which provides assistance to high cost areas to aid in construction and maintenance.	<ul style="list-style-type: none"> • Not a performance goal. Does not address how well a commission activity is done. • No measurable target level of performance. • No directly related objective.

2007 OBJECTIVES	FY 2007 TARGET	COMMENTS
1. Number of telephone plant facilities, payphones, inmate phones, and hotels/motels inspected per employee assigned (9).	280	<ul style="list-style-type: none"> • Objective appears appropriate.
2. Number of filed tariffs reviewed per employee assigned (7).	66	<ul style="list-style-type: none"> • Objective appears appropriate.

3. Number of filed interconnection agreements reviewed per employee assigned (2).	145	<ul style="list-style-type: none"> Objective appears appropriate
4. Number of audits/reviews performed per employee assigned (3).	7	<ul style="list-style-type: none"> Objective appears appropriate
5. Review of performance measures for wholesale and retail operations per employee assigned (3).	12	<ul style="list-style-type: none"> Objective appears appropriate
6. Number of requests for mediation and arbitrations resolved per employee assigned (2).	4	<ul style="list-style-type: none"> Objective appears appropriate
7. Percent of improperly filed tariffs corrected prior to the effective date of tariff.	91%	<ul style="list-style-type: none"> Objective appears appropriate.
8. Percent of interconnection agreements approved within one month of date filed.	91%	<ul style="list-style-type: none"> Objective appears appropriate
9. Percent of petitions processed within two months of date filed.	91%	<ul style="list-style-type: none"> Objective appears appropriate

ACTIVITY 0033 – TRANSPORTATION	
2007 GOALS	COMMENTS
1. To conduct sufficient motor carrier records and compliance reviews.	<ul style="list-style-type: none"> No measurable target level of performance. No directly related objective.
2. To accurately measure, assess and report conditions of railroad track, structure and rolling stock.	<ul style="list-style-type: none"> No measurable target level of performance No directly related objective.
3. To ensure safe and efficient operation of trains.	<ul style="list-style-type: none"> No measurable target level of performance. No directly related objective.
4. Timely and accurate processing of all documents related to registrations, filings, and monies received or distributed.	<ul style="list-style-type: none"> No target level of performance. No directly related objective.

2007 OBJECTIVES	FY 2007 TARGET	COMMENTS
1. Receive, review, and process all applications to register authority and receive registration numbers and respond to the applicant within 2 weeks.	100%	<ul style="list-style-type: none"> Objective appears appropriate.

ACTIVITY 0036 – GAS PIPELINE SAFETY	
2007 GOALS	COMMENTS
1. To maintain compliance with the Minimum Federal Gas Pipeline Safety Standards.	<ul style="list-style-type: none"> Not a performance goal. Does not address how well a commission activity is done. No measurable target level of performance. No directly related objective.
2. To promote safe operations within natural gas and hazardous liquid facilities.	<ul style="list-style-type: none"> Not a performance goal. Does not address how well a commission activity is done. No measurable target level of performance. No directly related objective.
3. To prevent incidents due to operator error.	<ul style="list-style-type: none"> Not a performance goal. Does not address how well a commission activity is done. No measurable target level of performance. No directly related objective.
4. To strengthen the program through training of staff and operators.	<ul style="list-style-type: none"> Not a performance goal. Does not address how well a commission activity is done. No measurable target level of performance No directly related objective.
5. To promote underground damage prevention through the “Dig Safely” campaign.	<ul style="list-style-type: none"> Not a performance goal. Does not address how well a commission activity is done. No measurable target level of performance. <p>No directly related objective.</p>

6. To maintain files and records in a secure, readily accessible location.	<ul style="list-style-type: none"> • Not a performance goal. Does not address how well a commission activity is done. • No measurable target level of performance • No directly related objective.
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2007 OBJECTIVES	FY 2007 TARGET	COMMENTS
1. Maintain adequate inspection ratio, person-days/total program person-days (acceptable above or equal to .38).	.38	<ul style="list-style-type: none"> • Not clear to the average reader what is being measured.
2. Prioritize and inspect 100% of jurisdictional operators each calendar year.	100%	<ul style="list-style-type: none"> • Appears to be a workload statement rather than a performance objective.
3. Investigate all incidents.	1005	<ul style="list-style-type: none"> • Appears to be a workload statement rather than a performance objective.

ACTIVITY 0037 – LICENSES	
2007 GOALS	COMMENTS
1. Consistently apply and enforce Commission procedures and regulations to provide safe, adequate and reliable services at affordable rates for consumers and also to adequately compensate utilities and motor carriers.	<ul style="list-style-type: none"> • Not a performance goal. Does not address how well a commission activity is done. • No measurable target level of performance. • No directly related objective.
2. To ensure that the Commission's statutory duties and responsibilities are carried out and enforced in a manner that balances the interests of the regulated companies with the interests of the consumers those utilities serve.	<ul style="list-style-type: none"> • Not a performance goal. Does not address how well a commission activity is done. • No measurable target level of performance. • No directly related objective.
3. To provide timely and quality assistance to consumers regarding utility complaints and inquiries.	<ul style="list-style-type: none"> • No measurable target level of performance. • No directly related objective

4. To render timely and accurate review/recommendations/decisions on pending applications, certification proceedings, complaints, investigations and all other matters before the Commission.	<ul style="list-style-type: none"> • No measurable target level of performance. • No directly related objective.
5. To provide the Commission and staff with information on all federal and state matters related to the Commission.	<ul style="list-style-type: none"> • Not a performance goal. Does not address how well a commission activity is done. • No measurable target level of performance. • No directly related objective
6. To provide data processing, personnel, and financial services for the Commission to ensure operations run smoothly and efficiently.	<ul style="list-style-type: none"> • Not a performance goal. Does not address how well a commission activity is done. • No measurable target level of performance. • No directly related objective

2007 OBJECTIVES	FY 2007 TARGET	COMMENTS
1. Post all major recommendations/decisions to the internet to minimize resources expended on copying and verbal inquiries.	100%	<ul style="list-style-type: none"> • Workload statement. Does not address how well an activity is done.
2. Use correct mailing addresses for fee letters to reduce number of returns and re-mailings.	40 letters	<ul style="list-style-type: none"> • Target does not indicate what “40 letters” means.
3. Respond to 90% of the written inquiries by staff, utility representatives and consumers within 30 days.	90%	<ul style="list-style-type: none"> • Objective appears appropriate
4. Render 100% of the written recommendations that must be made on contested matters within 90 days of the submission of the final pleadings.	100%	<ul style="list-style-type: none"> • Objective appears appropriate
5. Respond to 90% of the verbal inquiries by staff, utility representatives, and consumers by the next business day.	90%	<ul style="list-style-type: none"> • Objective appears appropriate
6. Respond to 90% of complaints within 5 business days	90%	<ul style="list-style-type: none"> • Objective appears appropriate

REGULATION IN CONJUNCTION WITH OTHER ENTITIES

Federal Regulation vs. PSC Regulation

The commission's regulatory jurisdiction extends to the same industries as federal regulation. The commission responded as follows to inquiries about this condition.

The comparisons of federal versus APSC regulation provided below generally indicate that there is very little duplication of effort between the federal and state agencies in question and no glaring gaps. Indeed, the federal/state jurisdictional division is, by design, complementary.

FERC versus APSC Regulation of Energy Companies

The primary difference in the responsibilities of the Federal Energy Regulatory Commission ("FERC") and state public service commissions can be traced to the fact that the FERC has jurisdiction over wholesale sales and interstate activities, while state commissions like the APSC have jurisdiction over retail sales and intrastate activities. Those jurisdictional restrictions are discussed in more detail below.

The FERC is an independent agency that regulates the *interstate* transmission of electricity, natural gas, and oil. The FERC also reviews proposals to build liquefied natural gas ("LNG") terminals and *interstate* natural gas pipelines. The FERC additionally licenses hydropower projects. The FERC's authority is found in the Federal Power Act, 16 U.S.C., and their limited authority over *wholesale, interstate* matters is defined in 16 U.S.C. §824, *which also reserves all other energy utility regulatory matters to regulation by the states*. The Energy Policy Act of 2005 ("EPACT 2005") expanded the FERC's authority to impose mandatory reliability standards on the *bulk* transmission system and to impose penalties on entities that manipulate the electricity and natural gas markets. A summary list of the various responsibilities of the FERC is as follows:

- Regulates the transmission and sale of natural gas for resale in *interstate* commerce
- Regulates the transmission of oil by pipeline in *interstate* commerce
- Regulates the transmission and *wholesale* sales of electricity in *interstate* commerce
- Licenses and inspects private, municipal, and state hydroelectric projects
- Approves the siting of and abandonment of *interstate* natural gas facilities, including pipelines, storage and liquefied natural gas
- Ensures the reliability of high voltage *interstate* transmission systems
- Monitors and investigates energy markets
- Uses civil penalties and other means against energy organizations and individuals who violate FERC rules in the energy markets
- Oversees environmental matters related to natural gas and hydroelectric projects and major electricity policy initiatives
- Administers accounting and financial reporting regulations and conduct of regulated companies

In recent years, the FERC has been promoting the voluntary formation of Regional Transmission Organizations ("RTOs") and Independent System Operators ("ISOs") to eliminate the potential for undue discrimination in access to the electric grid. However, since the passage of EPACT 2005, FERC has aggressively developed regulations to implement key provisions of the new law dealing with LNG terminals, electric reliability, repeal of the Public Utility Holding Act of 1935 and implementation of the Public Utility Holding Company Act of 2005, new merger regulations and new anti-market manipulation regulations. As noted above, *areas outside of FERC's jurisdictional responsibility are dealt with and reserved to the State Public Utility Commissions.*

The APSC is a quasi-judicial regulatory body whose jurisdiction, powers and duties are delegated to it by the Alabama Legislature. The APSC derives its authority from Title 37, Code of Alabama, 1975. The APSC has been charged with the responsibility for the regulation of public utilities to ensure a regulatory balance between regulated companies and *retail* consumers in order to provide consumers with safe, adequate and reliable services at rates that are equitable and economical. The APSC has the exclusive power to decide fair and reasonable *retail* rates for services under its jurisdiction, that the service rendered is reasonably adequate, and that any facilities constructed or acquired are required for the convenience and necessity of the public. As part of their responsibilities, the APSC:

- Regulates the retail sale of electricity by investor owned utilities in Alabama
- Regulates retail natural gas distribution, transportation, storage and intrastate natural gas and oil pipelines in Alabama
- Regulates investor owned retail water systems and out-of-state water systems that have authority to operate in Alabama
- Performs inspections and monitors activities of all gas and hazardous liquid pipeline systems operating in Alabama, including offshore in state waters, to assure and obtain compliance with the Minimum Federal Gas Pipeline Safety Standards adopted by the United States Department of Transportation pursuant to the Natural gas Pipeline Safety Act of 1968
- Reviews and evaluates cost allocations between *retail and wholesale* business
- Approves the physical construction of electric generation, transmission, and/or distribution facilities for utilities under its jurisdiction, if not considered normal extension of service
- Performs investigations, gathers evidence and conducts hearings
- Inspects properties, books and records of regulated companies
- Adopts and enforces rules and policies
- Issues orders giving effect to Commission decisions
- Institutes judicial proceedings to enforce orders, rules and regulations
- Answers complaints and conducts both formal and informal hearings

If implemented correctly, the current FERC/APSC jurisdictional division has no gaps or duplication of effort, but is complementary by design. When, however, FERC attempts to intrude on matters reserved for the states, the APSC (as well as other state commissions) will, and does intervene in dockets before the FERC, as well as challenge

their authority in Federal Court. This is also the course of action for the FERC where they feel state actions intrude on federal authority.

Federal Communications Commission versus APSC Regulation of Telecommunications

The FCC is primarily concerned with interstate regulation of telecommunication carriers including both wire line and wireless services. The Public Service Commission once had regulatory authority over wireless communications but that authority was removed by the Alabama Legislature.

The FCC establishes rules and procedures to implement federal legislation but states are generally given flexibility to establish their own intrastate telecommunication policies and procedures provided that they do not conflict with federal rules. The FCC maintains tariffs for interstate but not intrastate telecommunication services.

The APSC sets standards for providers in the intrastate telecommunications arena and certifies providers to operate in Alabama. Intrastate tariffs for certified carriers are maintained by the APSC in situations where the APSC has retained jurisdiction over intrastate pricing, policies, and service standards. The Commission also has exclusive jurisdiction over intrastate wholesale services and pricing wherein one carrier uses the facilities of another for purposes of providing local/toll service to an end user or to carry traffic from its customer base.

From a consumer relations and service quality performance standpoint, the FCC operates at a much more strategic level than the Commission. Alabama consumers communicate directly with the APSC for assistance in resolving billing disputes; for complaints about the quality of their telecommunications service; or to inquire about available prices or services in their area. The FCC typically does not address consumer issues at the local level.

The APSC also monitors and analyzes service quality metrics down to the wire center level and makes routine on-site inspections of telecommunications utility plant for purposes of enforcing service quality rules and to ensure that the public safety is being safeguarded. The FCC does not get involved with service quality monitoring at the local level.

The areas where there is concurrent jurisdiction include numbering resources management. The FCC utilizes a third-party to manage telephone numbering resources at the national level. The third-party administrator issues telephone numbers and monitors number utilization. However, the APSC has the authority to override some of the third-party administrator's decisions regarding numbering resources in Alabama and has exclusive approval authority for area code management. One other area of concurrent jurisdiction relates to the Federal Universal Service Fund high cost distribution. The USF is a federal fund managed by a third-party administrator for the FCC. Nevertheless, public service commissions like the APSC have authority to recommend how and where high cost funds distributed to eligible providers in Alabama

are used for facility construction. The APSC also verifies for the FCC that the funds are being used in accordance with FCC's USF rules. This is done by APSC on-site inspections of facility construction and by audits of construction accounts.

Fed DOT/Fed Motor Carrier Safety Admin vs. APSC Regulation

Motor carrier transportation is regulated both by the Federal Department of Transportation through its subordinate agency the Federal Motor Carrier Safety Administration ("FMCSA") and by the APSC. Federal regulation is focused primarily on safety, and includes both common and private carriers. The FMCSA requires the registration of all commercial motor vehicles operating in interstate commerce and has an extensive safety compliance regimen that includes regulation of all aspects of safety, including vehicle safety standards, driver requirements, and vehicle operation requirements. In addition to safety, FMCSA also enforces financial responsibility (i.e. insurance) for interstate common carriers of property, passengers, and hazardous materials. FMCSA also regulates the rates charged by interstate household goods carriers through tariff filing requirements. Federal regulation also extends to the transportation of hazardous materials.

The APSC regulates common carriers of both property and passengers as to their intrastate operations. The primary focus of APSC regulation is economic, through the regulation of rates for passenger and household goods carriers, and the enforcement of financial responsibility requirements on all common carriers. While the APSC also enforces safety requirements on the motor carriers it regulates, the primary state agency for enforcement of motor carrier safety is the Department of Public Safety.

The APSC requires the registration of all intrastate common carriers unless they are exempt by statute. The APSC also administers the UCR Program in Alabama which, when operational, will replace the predecessor Single State Registration Program.

Fed DOT/Railroad Safety versus APSC Regulation

The PSC regulation of the railway industry consists primarily of enforcement of Federal Railroad Administration ("FRA") safety regulations found at the applicable provisions of 49 CFR, as well as any state laws that pertain to railroad safety that have not been preempted. The APSC Railway Safety Inspectors are certified by the FRA to enforce federal regulations, and work in conjunction with that agency. Training is provided in the inspection disciplines (Motive Power & Equipment; and Track & Bridges) by the FRA on a continuing basis. Inspection activity on railroads located in Alabama is conducted by PSC inspectors independently as well as jointly with their FRA counterparts. Railway accidents are investigated, and violations of the safety regulations are submitted to the FRA for prosecution, including the imposition of civil penalties. Complaints from state and local officials, railroad employees and labor unions, as well as the general public, are handled routinely by APSC inspectors.

Alabama is one of 30 states currently participating with FRA in the enforcement of rail safety regulations. Indeed, state inspectors comprise at least 33 percent of the total railroad inspection force nationwide. The training, administrative support (computers,

etc.), and civil enforcement backing of the FRA further indicate the importance of each state's efforts in the overall railroad safety arena. The APSC Railway Safety Section's presence and effort is vitally important to rail safety in the state.

FINANCIAL INFORMATION

Funding shortfall - delay in Fed Unified Carrier Registration System

A delay in federal implementation of a new system for registration of interstate motor carriers has caused a shortfall of funding for the Public Service Commission. The commission responded as follows concerning this condition.

From 1994 through 2006, the APSC participated in the Single State Registration System ("SSRS") whereby interstate motor carriers registered their interstate authority in the various states in which they operated. The APSC received approximately \$3.0 million annually as the result of participation in the SSRS. The Alabama Department of Transportation annually received approximately \$500,000 of those proceeds each year pursuant to *Code of Alabama*, 1975, §37-3-32 and will continue to do so under the Unified Carrier Registration System (UCR).

In August 2005, the Unified Carrier Registration Act ("UCR Act") was signed into law as part of the Safe, Accountable, Flexible, and Efficient Transportation Equality Act: A Legacy for Users, Public Law 109-59. The UCR Act created the Unified Carrier Registration Plan ("URC Plan") to replace SSRS effective January 1, 2007.

The Federal Motor Carrier Safety Administration (FMCSA) was assigned the lead role in implementing the UCR program by the Secretary of Transportation. This responsibility included the appointment of the UCR Board of Directors (the "Board") consisting of state, industry, and FMCSA representatives. The Board members were not appointed by FMCSA until May 2006, nine months after the Act was signed and only seven months before the UCR Plan was to be in place. In June 2006, the Board began having monthly meetings to implement the UCR Plan. Numerous actions were required including recommending fee levels to the Secretary of Transportation, establishing procedures, developing an information technology system for registering carriers and sharing compliance information among the participating states, and establishing a depository for funds.

The fee recommendation was made by the Board to the Secretary through FMCSA in December of 2006. The FMCSA formally accepted the recommendation in April 2007. A Notice of Proposed Rulemaking was published in the Federal Register on May 29, 2007 and the Final Rule has been approved as of August 14, 2007. Publication of the Final Rule in the *Federal Register* is expected in the near future.

With regard to other necessary actions, the depository has been selected by the Board, the procedures for administering the UCR Plan have been adopted by the Board, and the

Board has approved an agreement with the State of Indiana to host the information technology system for registering carriers. It is anticipated that the UCR Plan will be fully implemented and producing revenue in the September-October 2007 time frame. Alabama's revenues are capped by the Act to the level received under the SSRS program in 2004, which was approximately \$3.0 million.

In summary, the APSC has done everything possible to assist the Board in fulfilling its UCR implementation responsibilities. The delays at FMCSA have, however, resulted in a delayed implementation of UCR. The end result is that the APSC has not yet received the revenues anticipated from UCR during Fiscal Year 2007. It now appears, however, that the APSC will begin to receive UCR revenues though perhaps not in Fiscal Year 2007.

Schedule of Fees

<i>Fee</i>	<i>Statutory Authority</i>	<i>Amount</i>
Transportation Company Inspection and Supervision Fee (per \$1,000 of receipts)	37-2-41(a)	\$2.85 1 st \$100,000 or less \$2.35 Each additional \$1,000 up to \$1,000,000 \$1.85 Each additional \$1,000 over \$1,000,000 (\$25 minimum fee)
Railroad Company Inspection and Supervision Fee (per \$1,000 of receipts)	37-2-41(a)	\$2.85 1 st \$100,000 or less \$2.35 Each additional \$1,000 up to \$1,000,000 \$1.85 Each additional \$1,000 over \$1,000,000 (\$25 minimum fee) (\$5,000 maximum fee)
Coin-Operated Customer Owned	37-2-41(b)	\$10.00 per phone in lieu of Inspection and Supervision Fee
Penalty	37-2-41(c)	\$50.00 per day late filing fee
Utility Inspection and Supervision Fee (per \$1,000 of receipts)	37-4-23	\$2.85 1 st \$100,000 or less \$2.35 Each additional \$1,000 up to \$1,000,000 \$1.85 Each additional \$1,000 over \$1,000,000 (\$25 minimum fee)
Penalty	37-4-24	\$50 per day late filing fee

Utility Company Annual Return Late Fee	37-1-58	\$50 per day of failure to file
Gas Pipeline Safety Fees	37-4-88	\$0.50 per active service line or master meter for the previous calendar year ending Dec 31
Penalty	37-4-24	\$50 per day late filing fee
Motor Carrier Certificate Of Convenience & Necessity	37-3-32	Application Fee \$100 Amendment Fee \$100 Transfers \$25 Leases \$10 \$6.00 intrastate vehicle registration fee (one time) \$6.00 interstate vehicle registration fee (annually)
Single State Registration	37-3-32.1	Other States' registration fee
Slamming Penalty	8-19B-1	\$500 per unauthorized change in consumer's telecommunication service provider (deposited directly to the General Fund)

Schedule of Operating Receipts, Disbursements, and Balances

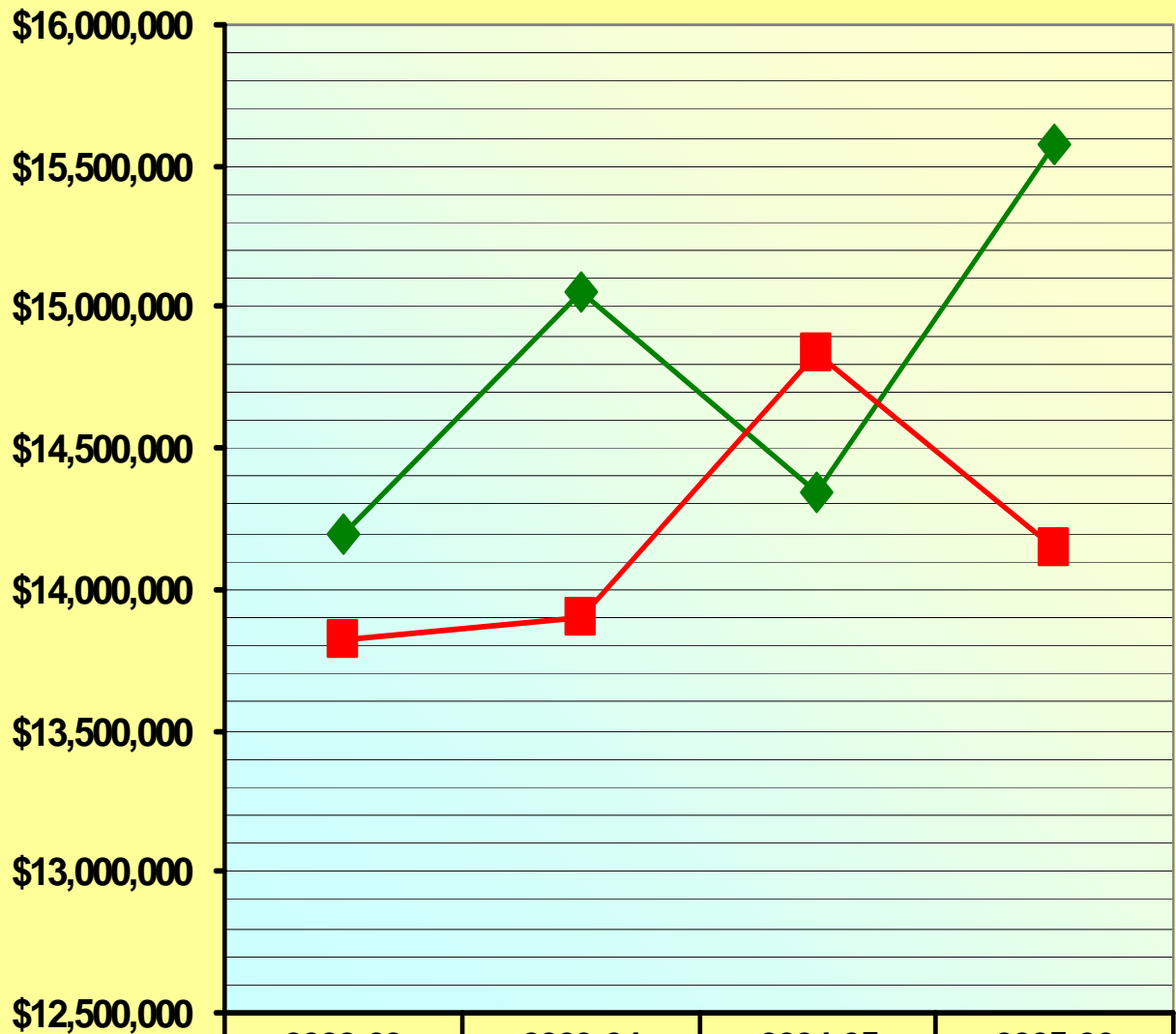
October 1, 2003 through September 30, 2006

	2006	2005	2004	2003
Receipts				
Motor Carrier Fees	\$ 2,600,708.05	\$ 2,462,997.48	\$ 2,386,660.00	\$ 2,416,368.75
Transportation Co. Inspection Fees	3,236,089.78	3,255,621.16	3,225,022.04	3,307,807.79
Utility Inspection and Supervision Fees	8,473,659.38	7,693,173.11	7,122,545.20	6,664,627.17
Gas Pipeline Safety Fees	510,990.00	506,189.00	498,159.50	492,490.00
Gas Pipeline Federal Funds	501,505.45	228,496.20	441,858.52	642,559.28
Docket Fees	235,023.59	186,125.00	658,546.31	647,668.88
Miscellaneous Fees	-	4,205.23	1,300.00	1,000.00
Equipment Salvage	10,938.75	3,786.68	9,235.08	23,129.01
Recycling	135.80	244.80	319.84	70.60
Interagency Grants	5,290.00	3,150.00	-	-
Transfer In From Other State Agencies (1)	-	-	712,720.58	-
Total Receipts	15,574,340.80	14,343,988.66	15,056,367.07	14,195,721.48
Disbursements				
Personnel Costs	5,916,201.50	5,532,655.85	5,847,373.65	5,819,046.88
Employees Benefits	1,741,621.32	1,596,516.37	1,461,516.16	1,366,680.05
Travel-In State	144,627.33	119,138.20	142,811.65	178,498.94
Travel-Out of State	66,207.77	44,608.80	66,706.63	73,629.67
Repairs & Maintenance	10,820.07	9,874.96	21,708.99	22,600.52
Rental & Leases	919,680.77	866,343.13	830,174.51	858,532.16
Utilities & Communications	172,172.22	182,164.72	189,650.62	191,883.40
Professional Services	535,493.97	617,568.84	351,527.90	571,417.68
Supplies, Materials & Operating Expenses	294,975.35	273,344.15	291,300.76	279,569.47
Transportation Equipment Operations	92,413.27	78,901.66	83,782.35	66,437.21
Grants and Benefits	-	-	-	15,000.00
Transportation Equipment Purchases	137,176.53	53,059.25	113,271.24	38,842.00
Other Equipment Purchases	72,200.59	54,075.94	5,658.82	94,732.09
Transfers to General Fund	4,044,623.10	5,407,942.51	4,499,370.17	4,244,511.23
Total Disbursements	14,148,213.79	14,836,194.38	13,904,853.45	13,821,381.30
Excess (Deficiency) of Receipts over Disbursements	1,426,127.01	(492,205.72)	1,151,513.62	374,340.18
Cash Balances at Beginning of Year	3,762,828.27	4,255,033.99	3,103,520.37	2,729,180.19
Cash Balances at End of Year	5,188,955.28	3,762,828.27	4,255,033.99	3,103,520.37
Reserved for Year-End Obligations	(363,094.06)	(693,930.43)	(836,101.02)	(299,535.34)
Reserved for Transfer to the General Fund	(3,005,282.87)	(1,257,701.10)	(1,665,270.51)	(1,155,829.92)
Unreserved Cash Balance	\$ 1,820,578.35	\$ 1,811,196.74	\$ 1,753,662.46	\$ 1,648,155.11

(1) The commission contracted with the Information Systems Division (ISD) of the State Finance Department for development of an imaging system. ISD withdrew from the contract and returned the funds to the commission, who then contracted with a private firm.

Operating Receipts Vs Operating Disbursements (Chart)

October 1, 2002 through September 30, 2006



	2002-03	2003-04	2004-05	2005-06
◆ Receipts	\$14,195,721	\$15,056,367	\$14,343,989	\$15,574,341
■ Disbursements	\$13,821,381	\$13,904,853	\$14,836,194	\$14,148,214

Reduction of Commission Jurisdiction by Act 2005-110 (Communication Reform Act)

The commission responded as follows to inquiries as to the effect of the Act.

The Communications Reform Act (the "Act") limited the Commission's pricing jurisdiction for many retail services and eliminated the APSC's authority over the pricing of bundled services and contract offerings. The Commission still maintains jurisdiction over the prices for some residential and business basic services (including optional telephone features), prices for wholesale services, and prices for emergency reporting services ("911"). The Commission's authority over billing policies and procedures for those services in which pricing jurisdiction has been eliminated has been restricted as well. Nevertheless, the Commission still retains complaint jurisdiction for all services, even those for which the pricing authority has been eliminated.

The full effect on consumers, in terms of pricing, will not be fully realized until calendar year 2008. The Act has provisions allowing automatic, annual price increases for basic services and optional telephone features beginning in January 2008. Many consumers, particularly those in rural service areas, have little or no choice in terms of alternative providers. Some have benefited in the short term due to lower introductory prices for bundling their services, but the providers can increase prices for those bundles at their discretion on a going forward basis. Absent the Commission's regulatory oversight of these prices, there will be little or no accountability to ensure the availability of service at a fair and reasonable price to the consuming public.

The Act has affected the workload of the APSC Telecommunications Division in some areas, especially tariffs management. This is due to the fact that a smaller number of services must be tariffed by providers. Nevertheless, the services still under Commission jurisdiction remain tariffed and must still undergo the customary investigation and approval process.

Telephone service quality review and monitoring is essentially unaffected and the number of customer inquiries that must be investigated and resolved actually appears to have increased. The staff is still fully engaged in the certification and regulation of providers. However, some of the workload reduction due to diminished tariff requirements appears to have been offset by an increase in consumer inquiries requiring staff investigation.

Dual Party Relay System

By authority of the *Code of Alabama 1975*, Section 37-1-801.2 [included in the appendices of this report], the Public Service Commission imposes a surcharge on customers of telephone companies in the state to fund a telephone service to deaf, hard of hearing, deaf/blind and speech impaired persons, including provision of informational services to the blind. The commission establishes the amount of funding necessary to implement and maintain the system. Currently a 15 cent monthly fee per line is charged to customers and deposited into a bank account. In 2006, Act 2006-384 assigned the program's governing duties to a Dual Relay Fund Board of Trustees. The board of trustees selects an administrator, service provider, auditing firm and other services as

needed. The Public Service Commission retains authority to set the amount of the telephone surcharge and maintains overall responsibility for the program.

There is no provision in the law for replacement of members of the Dual Party Relay Board of Trustees. The law provides only that, "The Dual Party Relay Fund shall be governed by the Dual Party Relay Fund Board of Trustees. Those individuals serving as members of the governing committee of the Dual Party Relay Fund as of July 1, 2006, shall continue to serve as trustees." [*Code of Alabama 1975*, 37-1-80.2(e)]

According to Judy McLean, Director of the Advisory Division of the Public Service Commission, the current board of trustees is:

Judy McClean (Public Service Commission employee)

John Garner (Public Service Commission employee)

Pennie Buckelew (Governor's Office employee)

John Teague (Lobbyist)

The law provides that, "The trustees shall not be paid for their service, but shall be reimbursed for their actual and reasonable expenses in carrying out their duties."

The law also provides that, "The trustees shall submit an annual report to the Alabama Public Service Commission regarding the condition of the fund, which shall include a copy of an annual audit. According to Judy McClean, the last audit was for 2005, and no annual reports are provided.

The Alabama-Mississippi Telecommunications Association [AMTA], located at 100 North Union Street, Suite 826, Montgomery, AL 36104, is administrator for the program. The company's executive vice president, Jerry Renfro, who is a former member of the Dual Party Relay Fund Board of Trustees, stated that the contract for administrative services was bid, and that AMTA was awarded the bid. The company was given a start up fee amount of \$15,220 and is paid \$6,200 a month for administrative services.

Alabama members of the Alabama-Mississippi Telecommunications Association are presented on the association's Internet website (<http://www.amtelecom.org/alabama/members.htm>) as follows: [See next page]

<input checked="" type="checkbox"/> ALLTel Alabama	<input checked="" type="checkbox"/> Interstate Telephone Company
<input checked="" type="checkbox"/> Ardmore Telephone Company	<input checked="" type="checkbox"/> Millry Communications
<input checked="" type="checkbox"/> Blountsville Telephone Company	<input checked="" type="checkbox"/> Mon-Cre Telephone Cooperative
<input checked="" type="checkbox"/> Brindlee Mountain Telephone Company	<input checked="" type="checkbox"/> Moundville Telephone Company
<input checked="" type="checkbox"/> CenturyTel of Alabama	<input checked="" type="checkbox"/> National Telephone of Alabama
<input checked="" type="checkbox"/> Farmers Telecommunications Cooperative	<input checked="" type="checkbox"/> New Hope Telephone Cooperative
<input checked="" type="checkbox"/> Frontier Communications of Alabama	<input checked="" type="checkbox"/> Otelco Telephone
<input checked="" type="checkbox"/> Frontier Communications of Lamar County	<input checked="" type="checkbox"/> Pine Belt Telephone Company
<input checked="" type="checkbox"/> Frontier Communications of the South	<input checked="" type="checkbox"/> Ragland Telephone Company
<input checked="" type="checkbox"/> Graceba Total Communications	<input checked="" type="checkbox"/> Roanoke Telephone Company
<input checked="" type="checkbox"/> GTC, Inc.	<input checked="" type="checkbox"/> TDS Telecom
<input checked="" type="checkbox"/> Gulf Telephone Company	<input checked="" type="checkbox"/> Telephone Electronics Corporation
<input checked="" type="checkbox"/> Hayneville Telephone Company	<input checked="" type="checkbox"/> Union Springs Telephone Company
<input checked="" type="checkbox"/> Hopper Telecommunications	<input checked="" type="checkbox"/> Valley Telephone Company

QUESTIONNAIRES

Commission Member Questionnaire

Questionnaires were mailed to all three commission members. The commissioners answered as one.

Question #1

What are the most significant issues currently facing the Public Service Commission and how is the commission addressing these issues?

- “Delayed implementation of the Unified Carrier Registration System which resulted in over a \$2 million revenue shortfall.”
- “Managing increasing workload efficiently with a smaller, less experienced staff to ensure a stable more competitive utility infrastructure that will benefit all Alabamians.”
- “Changing federal and/or state policy towards the telecommunication and electric industry which could alter the regulatory landscape.”
- “Improving the competitiveness of salaries with private industry in order to retain existing personnel and attract qualified applicants to vacancies.”
- “Integrating and exploring emerging technology issues in an effort to improve the quality of service rendered to the ratepayer.”

Question #2

What changes to the Public Service Commission’s laws are needed?

- “During the 2007 Regular Session, the Commission introduced legislation (H177/S107) to provide that PSC Enforcement officers may exercise the powers of peace officers anywhere within the state. The legislation did not pass.”

Question #3

Is the Public Service Commission adequately funded?

0 Yes 3 No 0 No Response

1. “Supervision and inspection fees have not been increased since 1991; however, the agency’s cost of regulating has increased significantly.”

Question #4

Is the Public Service Commission adequately staffed?

0 Yes 3 No 0 Unknown

Question #5

What is the purpose of the commission's fiscal year end balance of unobligated funds?

- “Unobligated funds of the PSC Operating Fund are transferred to the State General Fund with the exception of an authorized carryover designated to cover expenditures until the next fiscal year's revenues are received.”
- “By law, the Gas Pipeline Fund is authorized to carry over all unobligated funds for expenditures in the next fiscal year.”

Alabama Power Company Questionnaire

Surveyed Alabama Power Company and received no response.

BellSouth Questionnaire

Surveyed BellSouth and received no response.

Customer-Owned, Coin Operated Telephone Company Questionnaire

Questionnaires were mailed to sixty-one customer-owned, coin operated telephone companies. Twenty-nine responded.

Question #1

Do you think regulation of your profession by the Public Service Commission is necessary to protect public welfare?

11 Yes 15 No 1 Unknown 2 No Opinion

Question #2

Do you think any of the Public Service Commission laws, rules, and policies are an unnecessary restriction on the practice of your profession?

16 Yes 11 No 0 Unknown 2 No Opinion

Question #3

Do you think any of the Public Service Commission requirements are irrelevant to the competent practice of your profession?

21 Yes 05 No 1 Unknown 2 No Opinion

1. "Yes. Public payphone regulations are fairly obsolete."

Question #4

Are you adequately informed by the Public Service Commission of changes to and interpretations of commission positions, policies, rules and laws?

22 Yes 02 No 2 Unknown 3 No Opinion

1. "Yes. Although the AL Communications Reform Act has been difficult to determine if there are impacts to C.O.C.O.T. (Payphone Service Provider) services."

Question #5

Has the Public Service Commission performed your regulatory approval and monitoring in a timely, equitable and efficient manner?

20 Yes 02 No 7 No Opinion

Question #6

What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Public Service Commission doing to address the issue(s)?

1. "As we are all aware, payphone usage is down and continues to drop with the event of cell phones. We are continually cutting expenses, phones, and lines in hopes of staying ahead of the revenue decline. Alabama is the only state that still requires a one to one ratio of line to phone. Our average phone line charge per month is \$50 and it's very difficult to make any money after you pay the line charge, maintenance, and equipment charges. We are allowed to line share in all the other 47 lower states, with little variation in Florida and Virginia. Because of line sharing, we are able to reduce our costs yet still maintain a higher quantity of phones spread throughout our plaza to better serve the public."
2. "Other than a repeal of the obsolete public payphone regulations, everything is good."
3. "Insuring compliance of Telecommunication Act and making sure prepaid calling card providers are paying for use of payphone lines."
4. "Inmate telephone service is a highly competitive industry. Virtually all business is awarded through the competitive bid process. Because of this, it is felt inmate services should be deregulated, or at least de-tariff, to avoid the administration and regulatory burdens that are not needed in such a highly competitive environment."
5. "The AL PSC should look at deregulating payphone services. The industry is highly competitive and the demands of the payphone user, the location owner, and competition itself

dictate that the payphone owner assures competitive rates and good service if they are to survive in this industry.”

6. “They can’t do anything about our problems.”
7. “None.”
8. “Unmaintained phones drag down the reputation of the industry.”
9. “The extremely low rates we are forced to charge. Alabama needs to get in step with the rest of the nation and allow us to change rates.”
10. “Cell Phones!”
11. “Dying industry which needs PSC support to provide service to the poor.”
12. “Help is needed by the rural telephone companies on line charges.”
13. “Free access for prepaid calling cards on payphones. Providers get little or no compensation for these calls. *The PSC is not addressing this problem.*”
14. “Public payphone providers such as myself are forced to pay 911 fees for every payphone line for a service that should be free for us as well as the public. We can not and would not charge for this service so as a public necessity should not be charged. As we all know the payphone industry is on a downward trend. My livelihood as well as many employees of the PSC is depending on the payphones that are still in place. We are in desperate need of help from our state to make sure we are compensated by the many “800” number providers located throughout the U.S. “DAC”, dial around compensation, is extremely important to our existence. We are thankful the Supreme Court recently ruled in our favor for the DAC to be paid by all “800 number” providers on completed calls. But we need our states help in enforcing this”
15. “Accountability for toll-free carriers’ payments due. Bellsouth responsible for decade of overcharging line rates. AL PSC is a neutral entity. Enforce laws and fee regulations. Period.”
16. “High commission demands by detention facilities for inmate collect call traffic.”
17. “New services test issues.”
18. “Burden of useless reporting, which no other state in the south requires.”
19. “Public phones will be gone from AL within 5 years! FACT”
20. “As we are all aware, payphone usage is down and continues to drop with the event of cell phones. We are continually cutting expenses, phones, and lines in hopes of staying ahead of the revenue decline. Alabama is the only state that still requires a one to one ratio of line to phone. Our average phone line charge per month is \$50 and it’s very difficult to make any money after you pay the line charge, maintenance, and equipment charges. We are allowed to line share in all the other 47 lower states, with a little variation in Florida and Virginia. Because of line sharing, we are able to reduce our costs yet still maintain a higher quantity of phones spread throughout our plaza to better serve the public.”

Question #7

Do you think the Public Service Commission and its staff are satisfactorily performing their duties?

17 Yes 01 No 1 Unknown 10 No Opinion

1. "Yes. To the extent they are able to. Unfortunately, large companies seem to get privileges not available to independents."
2. "They should use USF fees to keep public phone available."

Question #8

Has any member of the Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a commission service for you?

0 Yes 29 No

1. "Every person I have personally met has always been very friendly in demeanor, and professional in conduct."

Gas/Gas Pipeline Company Questionnaire

Questionnaires were mailed to one hundred gas/gas pipeline companies. Seventy-one responded.

Question #1

Do you think regulation of your profession by the Public Service Commission is necessary to protect public welfare?

69 Yes 01 No 1 Unknown 0 No Opinion

Question #2

Do you think any of the Public Service Commission laws, rules, and policies are an unnecessary restriction on the practice of your profession?

10 Yes 56 No 4 Unknown 1 No Opinion

1. "Yes. Some of them"
2. "No. Restrictions come from the federal level."
3. "Yes. Rules and regulations are not necessarily APSC rules and regulations."

Question #3

Do you think any of the Public Service Commission requirements are irrelevant to the competent practice of your profession?

8 Yes 56 No 4 Unknown 3 No Opinion

1. "Yes. Some of them"
2. "No. Restrictions come from the federal level."

Question #4

Are you adequately informed by the Public Service Commission of changes to and interpretations of commission positions, policies, rules and laws?

58 Yes 11 No 2 Unknown 0 No Opinion

1. "Yes. X. XXXXXX, X. XXXXXXXXXXXX, X. XXXXXX do a great job of exchanging, interpreting, and updating policies, rules, and law. (Very Good)"

Question #5

Has the Public Service Commission performed your regulatory approval and monitoring in a timely, equitable and efficient manner?

68 Yes 01 No 2 No Opinion

Question #6

What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Public Service Commission doing to address the issue(s)?

1. "Keeping current on DOT rule changes. *Addressing issues w/e-mail updates and annual conferences.*"
2. "Safety is the most important issue. *The PSC has annual conferences to promote safety and keeps us informed of new regulations. They also offer training about procedures and everyday operations.*"
3. "Federal regulations. *The PSC helps sponsor workshops and training sessions.*"
4. "A continued increase in federal regulations requiring additional record keeping, increased staff and thus raising the price of natural gas. Most new programs are a documentational change to what we are already doing."
5. "Too many new regulation and laws."
6. "Continued escalation of natural gas prices. *This is an area which apparently has no controls.*"
7. "Third party damage. *I think the PSC is doing everything they can. Maybe we need to give inspectors additional authority to fine contractors not using the one-call system.*"
8. "A rate structure that provides a rate of return sufficient to attract capital funds and finance continued operations. *The APSC appears to recognize its responsibility for our profession to earn a profit. Cost/resources to comply with new and proposed safety regulations. The APSC Office of Pipeline Safety in North Alabama is working closely to apprise and assist with implementation.*"

Gas & Gas Pipeline Questionnaire

9. "I think that the FERC has too many laws trying to put the small gas company out of business."
10. "New regulations. *The Public Service Commission is doing an excellent job of keeping us well informed and updated.*"
11. "E.F.V. *They are doing what can be done to help on this issue.*"
12. "New requirements for gathering lines, implementation of new public awareness program. *PSC reviewed our plan and provided recommendations for changes for compliance in Alabama.*"
13. "New rules under consideration by DOT and FERC. The rule requiring new valves on service for shut-off and performing the added inspections of the system may become quite timely to do. *The Public Service Commission in Alabama has done a good job of keeping all of us informed and up-to-date with the proposed rules and I appreciate that.*"
14. "High natural gas prices."
15. "No issues known. *Quality assistance and service at a professional level.*"
16. "Public awareness, preventing damage by contractors, keeping up with federal changes."
17. "Operator qualification. *Working very hard on educating our utility on the needs.*"
18. "Retention of trained employees."
19. "Maintain safe and efficient transportation of gas to consumers. *By enforcement of DOT pipeline safety regulations.*"
20. "No issue"
21. "Safety and call before you dig. *PSC helps with safety training and pipeline integrity management audits.*"
22. "The most significant issues in the gas industry, in my opinion, are the regulations put on us from the federal level. The PSC could work together with other states and tell the feds that we have enough regulations. We are the safest utility in the nation. They should start regulating electric systems."
23. "Safety. *Monitoring operators*"
24. "IMP and DIMP. These programs need to be managed and inspected by the PSC. The 1162 program was given to the National Compliance Group (lawyers). It has been a train wreck to say the least."
25. "The constant changing of DOT regulations. *The PSC does its best to keep everyone informed of what they need to do and when they need to be doing it. One of the biggest assets of the PSC is their availability to the operators.*"
26. "Over regulation. *The PSC is only following DOT regulations and cannot address the issues.*"
27. "Gas price"
28. "Not related to the commission, but over regulation on a federal level and non-regulation on commodity trading of natural gas."
29. "Unknown"
30. "New rules coming down from the federal DOT. *PSC letting us know, and helping us thru these new rules.*"
31. "The upcoming requirement of mandatory installation of excess flow vales which are unsafe in our opinion! *The PSC is our advocate to the federal regulators in letting them know where the state stands as a whole. They also provide a valuable service in organizing and implementing training that improves our ability to keep ourselves and the public safe.*"

Gas & Gas Pipeline Questionnaire

32. "New federal regulations – public awareness and distribution integrity management. *They work closely with us to help us comply.*"
33. "DIMP-Distribution Integrity Management. The retirement of XXXXXXXX XXXXX XXXXXX-very concerned about his retirement."
34. "Gas prices"

Question #7

Do you think the Public Service Commission and its staff are satisfactorily performing their duties?

 66 Yes 0 No 3 Unknown 2 No Opinion

1. "Yes. A great job."

Question #8

Has any member of the Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a commission service for you?

 0 Yes 71 No 0 Unknown 0 No Opinion

1. "No. The inspectors are welcome at my facility. Everyone is pleasant and always willing to answer questions. Give them a raise and a pat on the back for a fine job."
2. "No. XXXXX XXXXXX-excellent administration. Hate to hear he is retiring. XXXXX XXXXXXXXXXXX-excellent employee. Keep up the good work."
3. "No. The only part of PSC we deal with is pipe line safety. We are not regulated by natural gas division."

Motor Carrier Questionnaire

Questionnaires were mailed to one hundred motor carriers. Forty-three responded.

Question #1

Do you think regulation of the motor carrier industry by the Public Service Commission is necessary to protect public welfare?

26 Yes 11 No 6 Unknown 0 No Opinion

Question #2

Do you think any of the Public Service Commission laws, rules, and policies that regulate the motor carrier industry are an unnecessary restriction on the practice of your profession?

16 Yes 16 No 5 Unknown 6 No Opinion

1. "Yes. Some regulations, etc. – not all."

Question #3

Do you think any of the Public Service Commission requirements are irrelevant to the competent practice of your profession?

17 Yes 16 No 5 Unknown 5 No Opinion

Question #4

Are you adequately informed by the Public Service Commission of changes to and interpretations of commission positions, policies, rules and laws concerning the motor carrier industry in Alabama?

26 Yes 13 No 2 Unknown 2 No Opinion

Question #5

Has the Public Service Commission performed your licensing/permitting and renewal in a timely manner?

39 Yes 1 No 3 No Opinion

1. "Yes. Extremely so."

Question #6

What do you think is the most significant issue(s) currently facing the motor carrier industry in Alabama and what is the Public Service Commission doing to address the issue(s)?

1. "High fuel prices."
2. "The license itself. Most companies in west Alabama don't have them. So what is the need for the commission? There is no policing for the license."
3. "Fuel Prices and illegal operators and operations."
4. "Harassment to the working person."
5. "I feel there are a lot of duplicate required authorities issued."
6. "Unlicensed and uninsured operators transporting the unsuspecting public. *The APSC tickets and informs the operators of laws and insurance requirements.*"
7. "Qualified drivers and load securement."
8. "While I believe there are many, one would be the way truckers are treated by companies about getting loaded and unloaded. There should be more done by the state to teach the general public how to interact with big trucks."
9. "Weight/Safety issue. Nothing is being done. Simple enforcement of the weight law restriction does not eliminate the continued danger of the heavy trucks. Allowed in Alabama-82,500 tri-axle, 88,000 tandem trl., 92,400 tri-axle trl."
10. "Fuel prices. *Not much they can do.*"
11. "Regulation and enforcement rarely eliminate unsafe passenger carriers."
12. "Current rules and regulations could be enforced more aggressively. *The Commission needs funding for proper enforcement.*"
13. "Letting trucks not fit to be on the highway continue to operate. Not keeping any records, and hauling with no authority."
14. "The No. 1 issue facing the motor carrier industry is their need for properly qualified and experienced safe drivers. *I am not aware of the AL PSC addressing this issue.* No. 2 is requiring duplicate and unnecessary reports being filed."
15. "Safety is the most significant issue for the motor carrier industry."
16. "Drivers on drugs, running trucks that are not safety compliant, illegal untaxed fuel."

Question #7

Do you think the Public Service Commission and its staff are satisfactorily performing their duties?

28 Yes 3 No 10 Unknown 2 No Opinion

1. "No!"
2. "Yes. They could benefit by the addition of more personnel in the enforcement area."
3. "Yes. Need to add fuel dye testing to inspection."

Question #8

Has any member of the Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a commission service for you?

2 Yes 41 No 0 Unknown 0 No Opinion

Question #9

Please feel free to discuss any matters of concern to you not addressed by this questionnaire.

1. "Thanks for your time in this matter."
2. "In my profession; dirt handling, rock, asphalt, etc. the Public Service Commission serves no protection to us. There are any number of trucks and companies hauling every day in our area which are not registered. I've been registered for many, many years. It has had no effect as far as I can tell on my business or on the business of others who don't have APSC rights!"
3. "The small trucking business has too many rules and regulations from everybody."
4. "The PSC is helpful in obtaining rights and everyone was very helpful. Finding out who to see about rights was the hardest part. Once I found the PSC was the right department they were the most polite and helpful of any government agency that I have ever had to deal with."
5. "Some are very nice and helpful."
6. "I really don't know what all you folks are looking for, but one thing this annual report we have to fill out every year, to me it's a waste of time. It seems that there is a lot of paper work to do, and somebody is always coming up with ways or laws that cost the trucker more money. Also, I believe you folks need to have more staff on hand. But then again if there

was not so much paper work, and things were kept simple, there would be no need for more staff.”

7. “The tolerances allowed in this state create extreme danger to the motoring public. These heavy trucks are restricted to our minor highways-school bus routes and farm and market roads. This is a deadly danger and these tolerances need immediate revision.”
8. “I think that all motor carriers should have to follow the same rules, regardless of whether or not they are interstate or intrastate carriers. One set of rules governing all and enforced by each state’s public safety commission and more training from the FMCSA to ensure better understanding and interpretation of the rules governing the motor carriers.”
9. “Interstate motor carriers are burdened by state agencies requiring reports, which most often are unnecessary and duplicate of reports already filed and required by USDOT, i.e. mileage, safety, and financial reports.”
10. “I feel the annual reports that are requested by the Commission are extreme and a new format should be considered in the future.”

Railway Company Questionnaire

Questionnaires were mailed to twenty-two railway companies. Fifteen responded.

Question #1

Do you think regulation of your profession by the Public Service Commission is necessary to protect public welfare?

 9 Yes 5 No 0 Unknown 1 No Opinion

Question #2

Do you think any of the Public Service Commission laws, rules, and policies are an unnecessary restriction on the practice of your profession?

 1 Yes 8 No 1 Unknown 5 No Opinion

Question #3

Do you think any of the Public Service Commission requirements are irrelevant to the competent practice of your profession?

 5 Yes 9 No 0 Unknown 1 No Opinion

Question #4

Are you adequately informed by the Public Service Commission of changes to and interpretations of commission positions, policies, rules and laws?

 9 Yes 3 No 0 Unknown 3 No Opinion

Question #5

Has the Public Service Commission performed your regulatory approval and monitoring in a timely, equitable and efficient manner?

 12 Yes 0 No 3 No Opinion

Question #6

What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Public Service Commission doing to address the issue(s)?

1. “Funding – We need funding from the state to support the railroads of Alabama. *Nothing that we are aware of.*”
2. “Funding from the state to support the railroads in Alabama. *Nothing that we are aware of.*”
3. “Funding from the state to support the railroads in Alabama. *Nothing that we are aware of.*”
4. “PSC pre-empted by federal law from regulating this industry.”
5. “Rail crossing safety. Public education.”
6. “Infrastructure funding. *Nothing. The PSC is a regulatory agency and many of its functions are also regulated by federal agencies.*”
7. “XXXXXXXXXXXX XXXXXXXX is a short line railroad. *Issues that affect the operating of our railroad are being addressed by the PSC.*”

Question #7

Do you think the Public Service Commission and its staff are satisfactorily performing their duties?

 13 Yes 0 No 0 Unknown 2 No Opinion

Question #8

Has any member of the Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a commission service for you?

 0 Yes 15 No 0 Unknown 0 No Opinion

Telecommunication Company Questionnaire

Questionnaires were mailed to one hundred telecommunication companies. Forty-five responded.

Question #1

Do you think regulation of your profession by the Public Service Commission is necessary to protect public welfare?

28 Yes 17 No 0 Unknown 0 No Opinion

1. "Yes. To the extent currently in existence."
2. "No. Our company is a mid-size, privately-held, Alabama company engaged in the provision of private line transport services for government, telecommunications carrier, and business customers. Private line services involve the transport of data, voice, or video between two or more locations. The Company builds, maintains, operates and provides services over its own fiber optic networks. The Company does not provide local or long-distance telephone services and does not sell services to residential users. This segment of the telecommunications business is highly competitive and customers have a number of choices, although the dominant player is certainly XXXX/XXXXXXXXXX along with the major cable TV providers, such as XXXXXXXX XXXXXXXXXXXXXXXXXXXX."

Alabama PSC regulations require that companies providing this type of service submit tariffs to the PSC and abide by laws that restrict free market pricing forces. In practice, this regulation is a farce. Companies file tariffs that are never adhered to. Prices fluctuate up and down based on the dynamics of the customer's need and the competitive bid. Likewise, XXXXXXXXXXXX/XXXX's prices are all over the board depending on the market dynamics of a particular quote and are subject to multiple revisions based on customer feedback. All players in the market file tariffs to provide the appearance of complying with the law, but let the market dictate prices on an individual case basis. In this way, the tariff regulations are nothing more than an artificial exercise that have no bearing on the market other than to drive up the cost of doing business."

Question #2

Do you think any of the Public Service Commission laws, rules, and policies are an unnecessary restriction on the practice of your profession?

14 Yes 29 No 1 Unknown 1 No Opinion

1. "Yes. Too much unnecessary red tape in the regulatory approval process."
2. "Yes. As outlined above, our Company believes that all regulation of private line telecommunications services by the PSC is unnecessary. The only thing necessary to protect the public welfare in this segment of the industry is for the State government to maintain legislation ensuring that competitive infrastructure providers (cable, CLECs, Competitive Access Providers (CAPS)) have equal access to state and local public Rights of Way (ROW) and joint use utility transmission poles. This will ensure that competitive infrastructure will be built and that consumers will have a choice other than the ILEC (XXXXXXXXXX/XXXX). Currently, the ILEC (XXXXXXXXXX/XXXX) has preferential access to all ROWs. Municipalities throughout the state require franchise or Right of Way use agreements from all competitive carriers that desire to build competitive infrastructure. Typically, these agreements require the competitive carrier to pay the municipality 3% to 5% of all gross revenues collected in that municipality. The incumbent (XXXXXXXXXX/XXXX), has ROW agreements that predate the 1996 Telecommunications Act and require no such franchise payments. As such, all competitive carriers have a 3% to 5% tax on services that their primary competition does not have to pay. Competitive carriers cannot pass on these taxes to the consumer as it is not competitive to do so, since XXXXXXXXXX/XXXX does not have to pay these taxes."

Question #3

Do you think any of the Public Service Commission requirements are irrelevant to the competent practice of your profession?

21 Yes 17 No 3 Unknown 4 No Opinion

1. "No. As long as some current absolute reporting requirements are addressed as anticipated."
2. "Yes. The filing of tariffs on private line services is irrelevant as outlined above."

Question #4

Are you adequately informed by the Public Service Commission of changes to and interpretations of commission positions, policies, rules and laws?

38 Yes 6 No 1 Unknown 0 No Opinion

1. "Yes. Notices are adequate although rarely relevant."

Question #5

Has the Public Service Commission performed your regulatory approval and monitoring in a timely, equitable and efficient manner?

37 Yes 4 No 4 No Opinion

1. "No opinion. As the Company has never had to work with the PSC outside of the initial filing and subsequent monthly filings."

Question #6

What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Public Service Commission doing to address the issue(s)?

1. "Monopolization of communications services by XXXX."
2. "The most significant issue facing XXXXXXXX is making the transition from a regulated industry to a deregulated one. The Alabama Legislature, through the Communications Reform Act of 2005, has taken great strides towards leveling the telecommunications playing field. *The Commission has issued several orders implementing this landmark legislation.*"
3. "Deregulation and ETC status."
4. "Intercarrier compensation and USF. *The commission has done a good job addressing both these issues when they felt they have jurisdiction.*"
5. "ETC status. Make it easy for CLEC's to obtain ETC status so that they may compete with ILEC's in this arena."
6. "Billing practices. *Recently opened docket.* Anticompetitive practices. *Code of Conduct, monitoring carrier practices.*"
7. "Securing the settlement process between ILEC's and RBOC's to keep cost down for the end user."
8. "E-911 FEEs adequately funding by all communication providers. Inter-carrier compensation."
9. "Competition. *They've been doing fair for the most part.*"

Telecommunication Company Questionnaire

10. "Competition. *The Alabama PSC has addressed competition head-on while be as fair as possible.*"
11. "The fundamental change in the structure of the telecommunications industry."
12. "The PSC does not have much regulation on long distance resale companies."
13. "Inter-carrier charges with wireless carriers. *The PSC will be the arbitrator in the negotiation.*"
14. "Policies that promote and encourage continued aggressive investment strategies in infrastructure to serve the rural and low density areas by those companies with a vested interest in such areas."
15. "Dial around commission. *Not sure.*"
16. "Continued viability of competition in the face of federal regulatory changes and consolidation of XXXX/XXXXXXXXXX. *The APSC will continue to play a vital role in ensuring that competitive providers are not placed at a disadvantage and that consumers continue to have a choice.*"
17. "Small area providers with no competition gouging customers (e.g. XXXXXXX Telephone). Inability to place local service freeze on accounts – customers are being switched (by large telemarketing efforts) without their permission."
18. "The most significant issue facing our profession today in Alabama is the re-monopolization of the XXXXX. *We feel the PSC is not doing anything to address this issue.*"
19. "Continued regulation of wholesale rates, carrier-to-carrier issues and arbitration of interconnection agreement disputes is essential to ensure competitive choice for customers in Alabama."
20. "We are forced to pay thousands of dollars per year for "inspection fees" for a useless "service" that benefits no one. Competition is fierce and that controls the industry. The PSC provides no useful service."
21. "Nothing that is Alabama specific."
22. "Of the 4 states that we provide services in, the Alabama PSC is the least informative. In saying this, it could also be a positive thing meaning the AL PSC has more logical and consistent rules governing telecommunications."
23. "We are in the inmate phone service business. It is absolutely critical that the Alabama PSC continue doing the great job they are doing in making sure the rates for inmate collect calls are fair to the consumer paying for the calls. The consumer does not have a choice of provider and it is critical that these rates remain regulated to prevent unscrupulous providers from raising rates to fund higher facility commissions."
24. "In the telecom area, to ensure that the rates XXXXXXXXXXX/XXXX charges other carriers are just and reasonable. Additionally, to ensure XXXXXXXXXXX/XXXX doesn't use its market power to artificially depress its retail prices to run competition out of business."
25. "Equal access by competitive carriers to public Rights of Way. As outlined above, the incumbent telecommunications providers (XXXXXXXXXX/XXXX) have highly preferential treatment, resulting in an unfair market advantage and an inequitable tax on competitive providers."

"Additionally, XXXXXXXXXXX/XXXX has a major advantage over competitive providers in their ability to control who, how, and when companies can attach to joint use utility poles on public rights of way. Along with the power companies, XXXXXXXXXXX/XXXX (and the other incumbent LECs) control the system of joint use utility poles present in every

Telecommunication Company Questionnaire

municipality. All competitive carriers looking to attach to these poles must work through XXXXXXXXXX/XXXX's application process in order to attach. Typically, it takes XXXXXXXXXX/XXXX six to twelve months to approve an application and allow attachments to their poles. Often, it takes them over a year and sometimes two years to approve new attachments. Very few customers are willing to wait six months to a year for a competitive carrier to bring fiber to their building. In this way, XXXXXXXXXX/XXXX can drastically limit or raise the cost of competitive fiber builds. New attachments to utility poles are the lifeblood of our Company. We build competitive fiber infrastructure directly to the customer, completely bypassing the ILEC. Encouraging and stimulating this type of development of competitive, next-generation fiber infrastructure should be one of the primary goals of PSC regulation. Yet, to date we have seen no movement by the PSC to address this unfair, non-competitive practice. Access to XXXXXXXXXX/XXXX network elements is only a bridge to a truly competitive telecom environment and ubiquitous next-generation services. In order to reach those goals, the State of Alabama must address XXXXXXXXXX/XXXX's unfair and tax free access to the public rights of way."

Question #7

Do you think the Public Service Commission and its staff are satisfactorily performing their duties?

 39 Yes 1 No 4 Unknown 1 No Opinion

1. "Yes. Usually, well."
2. "Yes. Above and beyond what's required."
3. "No. Our company can not speak to the majority of the PSC's activities as they have absolutely no bearing on the Company's daily activities. With regard to the ROW issues above, our Company believes that the PSC is not satisfactorily performing their duties.

Question #8

Has any member of the Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a commission service for you?

 0 Yes 45 No 0 Unknown 0 No Opinion

Water Company Questionnaire

Questionnaires were mailed to six water companies. Five responded.

Question #1

Do you think regulation of your profession by the Public Service Commission is necessary to protect public welfare?

 0 Yes 4 No 1 Unknown 0 No Opinion

1. "No. XXXXXXXXXXXX XXXXX XXXXXX serves a maximum of 22 households. I recommend that the PSC relieves itself from governing water companies that service under 2500 homes."
2. "No. We are monitored by the Mississippi Health Department and Rural Development and our Board of Directors Monthly."
3. "No. ADEM has more rules and regulations to protect the health and well being of the citizens of Alabama than you can imagine."

Question #2

Do you think any of the Public Service Commission laws, rules, and policies are an unnecessary restriction on the practice of your profession?

 4 Yes 0 No 1 Unknown 0 No Opinion

1. "Yes. Our association only has 35 customers in the state of Alabama. The red tape you require is unnecessary and the visits from your staff you impose upon us is costly and time consuming for our business. We have an outside CPA that audits our bookkeeping and each year a copy is sent to you."
2. "Yes. The legal and accounting fees you have to spend to challenge the unnecessary rules and laws will put a water company out of business."

Question #3

Do you think any of the Public Service Commission requirements are irrelevant to the competent practice of your profession?

 4 Yes 1 No 0 Unknown 0 No Opinion

1. "Yes. If we didn't know how to run this business without your help, you wouldn't even have a customer on our system. We have the same rates in Mississippi and Alabama no difference except sales taxes are added in Alabama. We take pride in our system everyday striving to continue to offer quality to our customers."
2. "Yes. Unnecessary rules and laws. Who knows better how to run their water company than the people who built it?"

Question #4

Are you adequately informed by the Public Service Commission of changes to and interpretations of commission positions, policies, rules and laws?

 4 Yes 1 No 0 Unknown 0 No Opinion

1. "Yes. But it takes a lawyer to figure out your policies. Keep it simple."
2. "No. Again, you must hire a lawyer and an accountant which cost thousands of dollars to interpret what these changes are. This will put a company out of business also."

Question #5

Has the Public Service Commission performed your regulatory approval and monitoring in a timely, equitable and efficient manner?

 1 Yes 1 No 3 No Opinion

1. "No opinion. We have not submitted a request for regulatory approval; we haven't had a monitoring visit."
2. "No. We had to change our rate review increase from July to May in order to get approval by your state, in which your state has imposed on us not Mississippi."

Question #6

What do you think is the most significant issue(s) currently facing your profession in Alabama and what is the Public Service Commission doing to address the issue(s)?

1. "It doesn't seem at all necessary for XXXXXXXXXXXX XXXXX XXXXXX to be regulated by PSC because we only serve a maximum of 22 households (3 are currently vacant) and we have consistently operated at a loss ever since we "inherited" the water system when we purchased the foreclosed property from XXXXXX XXXXXXXXXXXX XXXX. We have one main water meter from which we purchase our water from XXXXXXXXXXXX XXXXX XXXXXXXXXXXX, but XXXXXXXXXXXX XXXXX XXXXXX is set up on a flat-rate billing of \$15 per household with a meager \$1.50 late fee. Even at these incredibly low rates, we end up having to cut water off in order to collect payment. Additionally, homeowners take advantage of the flat rate to water their lawns, fill 24' above ground swimming pools, etc. In defense of PSC, we have not asked for a rate increase. The monthly billing and collection process is just a whole lot more trouble than it's worth. We would give XXXXXXXXXXXX XXXXX XXXXXX to anyone who is willing to take it!"
2. "We are governed by MS. Rural Development and our Board of Directors Rural development doesn't require us to get there approval on rate increases on water, meters, and other fees. You do for only 35 customers this is unnecessary are you trying to create a job for someone?"
3. "In response to your survey of the Alabama Public Service Commission, I would like to include these concerns."

"Mississippi Public Service Commission does not regulate non-profit water systems in our state – neither does Alabama regulate theirs. Why is it necessary for the Alabama PSC to feel that they must control any rate changes that happens to the 5 Mississippi water systems providing water to a "few" needy customers in Alabama? We were initially advised that Mississippi PSC and Department of Health could be the regulatory agency for the expansions into Alabama."

"XXXX XXXXXXXX XXXXX XXXXXXXXXXXXXXXX has lowered its original rates in 1987 to the Alabama customers from a \$17.00 minimum bill for 2,000 gallons to the current \$4.50 minimum and flat rate of the same per 1,000 gallons thereafter. (This is one of the advantages of being served by one of the largest rural water systems in Mississippi). It only stands to reason that with a membership owned system, all customers would share in the operational costs and would set their own rates."

"The Alabama PSC requirements are irrelevant to the excellent service we provide approximately 130 users in Alabama that could not practically receive water service without our efforts to assist."

"I understand each state levying applicable taxes (though each state does it differently) but I cannot see the purpose in the inspection and supervision fees along with costly additional

Water Company Questionnaire

audits, letters, and specialized reports being required. Tax reports are sent to the Alabama Tax department and an annual certified audit to the Alabama PSC.”

“Many of the Alabama customers were using springs or water from wells with poor water quality and limited supplies. Please make life less complicated for the out-of-state systems that are doing Alabama customers a good service.”

4. “Being able to run our business efficiently by ourselves without input from somebody at the PSC that doesn’t know a pressure reducing valve from a tire tool.”

Question #7

Do you think the Public Service Commission and its staff are satisfactorily performing their duties?

 2 Yes 1 No 1 Unknown 1 No Opinion

1. “Yes. I have had very little contact with any of the PSC staff. My only contact has been with XXXXX XXXXXXXX and he has been responsive and helpful.”

Question #8

Has any member of the Public Service Commission or its staff asked for money (other than normal fees), services, or any other thing of value in return for performing a commission service for you?

 0 Yes 5 No 0 Unknown 0 No Opinion

1. “We are in Alabama to service the customers you did not or could not service. We have had no complaints from the customer just appreciation. Your rules have always made it difficult for our association; we are a foreign country to your state. Does anyone really care about the 35 customers other than our association? You impose taxes on our buried lines. We are tax exempt in Mississippi, but not with Alabama. No we are not pleased with your Public Service Commission, release us. Why is it necessary for us to be governed by PSC when you don’t require it on all the other water systems in Alabama?”

Complainant Questionnaire

Questionnaires were mailed to one hundred complainants. Twenty-eight responded.

Question #1

Was your complaint filed with the Public Service Commission by:

 3 Mail 17 Phone 3 Fax 5 Other 2 Unknown

1. Respondent 9 filed the complaint both by mail and by phone.
2. Respondent 14 filed the complaint by e-mail.
3. Respondent 20 filed the complaint both by phone and by fax.
4. Respondent 25 filed the complaint by e-mail
5. Respondent 26 filed the complaint by e-mail.

Question #2

Was receipt of your complaint promptly acknowledged?

 22 Yes 4 No 2 Unknown

If yes, approximately how long after you filed your complaint were you contacted by the Public Service Commission?

 10 Immediately 7 Within 10 days 0 Within 20 days

 0 Within 30 days 2 More than 30 days 2 Did not respond

 7 Unknown

1. "Unknown. Never heard from them."
2. "Unknown. Was not"

Question #3

Was the employee who responded to your complaint knowledgeable and courteous?

 1 Knowledgeable 1 Courteous 4 Neither 20 Unknown

1. Respondent 10 answered “Courteous” and “Neither”.
2. Respondent 12 could not answer this question because he was not contacted.
3. Respondent 19 did not answer this question.
4. Respondent 21 did not answer this question.

Question #4

Did the Public Service Commission communicate the results of the investigation of your complaint to you?

 15 Yes 10 No 4 Unknown

1. Respondent 17 answered both “No” and “Unknown”.

Question #5

Do you think the Public Service Commission did everything it could to resolve your complaint?

 19 Yes 4 No 4 Unknown

1. Respondent 24 did not answer this question.

Question #6

Were you satisfied with your dealings with the Public Service Commission?

 19 Yes 5 No 4 Unknown

1. “Yes. Bellsouth disconnected my phone service after the bill was paid. After calling Bellsouth for several weeks, I called PSC and my phone was back on immediately. Thank you.”

Complainant Questionnaire

2. "Unknown. Not really."
3. "Yes. This was about 4 years ago. Thanks."
4. "No. I was told XXXX is not regulated!"
5. "Yes. My dealings were with Ms. XXXXXXXX XXXXXX and she was very knowledgeable, courteous, and prompt. Very helpful and I appreciate everything she did to try to help us."

APPENDICES

Smart Budgeting Reports

State of Alabama EBO Form No. 4b		PUBLIC SERVICE COMMISSION FY 2005-2006 SMART OPERATIONS PLAN			Agency No.: 018 Page 1 of	
		ACTUAL FY04	BUDGET FY05	BUDGET FY06		
MISSION	To ensure a regulatory balance between regulated companies and consumers in order to provide consumers with safe, adequate and reliable services at rates that are equitable and economical. (Code of Alabama 1975, Sections 37-1-1 to 37-1-157). Governor's Priorities 1, 3, 5					
VISION (optional)						
VALUES (Optional)						
CRITICAL ISSUES (Optional)						
Internal	State Personnel policy hinders this Commission's ability to serve the needs of Alabama by restricting the ability to hire staff that reflect current management needs.					
External	If budget restraints (including mandated transfers) continue, the Commission will be detrimentally affected in its ability to perform statutory responsibilities. Supervision and Inspection Fees have not been increased since 1991; however, the agency's cost of regulating has increased significantly.					
PROGRAM	041 Regulatory Services	\$13,378,051	\$17,276,820	\$17,476,893		
ACTIVITY 1	0037 Administrative Services	\$8,184,485	\$12,006,976	\$11,762,539		
MISSION	To provide management oversight and administrative services for all divisions, the companies subject to the jurisdiction of the Commission, and the Alabama consumers who are customers of those companies.					
VISION (Optional)						
VALUES (Optional)						
GOAL(S)	Consistently apply and enforce Commission procedures and regulations to provide safe, adequate and reliable services at affordable rates for consumers and also to adequately compensate utilities and motor carriers. To provide timely review of all matters before the Commission. To provide timely and quality assistance to consumers regarding utility complaints and inquiries. To ensure that the APSC's statutory duties and responsibilities are carried out and enforced in a manner that balances the interests of the regulated companies with the interests of the consumers those utilities serve. To provide timely and accurate responses to legal/regulatory inquiries by the APSC Commissioners, staff, regulated companies and the consumers. To render timely and accurate recommendations/decisions on pending applications, certification proceedings, complaints and investigations. To provide the Commissioners with relevant information and alternatives related to issues brought before the APSC. To provide the Commissioners and staff with information on all federal and state matters relevant to the APSC. To provide data processing, personnel and financial services for the APSC to ensure operations run smoothly and efficiently.					
WORKLOAD	Operating budget will continue to be constrained by mandated transfers to the State General Fund.					
	Mandated transfers	\$3,323,000	\$3,823,000	\$3,823,000		
	Actual operating budget	\$10,055,051	\$11,126,773	\$11,261,221		
	Agency's entire budget	\$13,378,051	\$17,276,820	\$17,476,893		
	Written recommendations on contested matters	101	150	130		
	Verbal inquiries	---	---	420		
	Number of complaints	8,227	7,650	8,100		
	Written inquiries	---	---	1,872		
CRITICAL ISSUES						
Internal	Managing increasing workloads efficiently so that a stable, more competitive utility infrastructure that will benefit all Alabamians continues to develop.					
External	Improve the competitiveness of salaries with private industry in order to retain existing personnel and attract qualified applicants to fill vacancies. Federal and/or state policy towards the telecommunications and electric industry could change the regulatory landscape.					

State of Alabama EBO Form No. 4b		PUBLIC SERVICE COMMISSION FY 2005-2006 SMART OPERATIONS PLAN		Agency No.: 018 Page 1 of	
		ACTUAL FY04	BUDGET FY05	BUDGET FY06	
OBJECTIVES					
Spending	Increase administrative spending by no more than 10%.	\$8,184,485	\$12,006,976	\$11,762,539	
Staffing	Increase full-time equivalent (FTE) administrative staff by no more than 5.	51	62	64	
Efficiency	Post all major recommendations/decisions to the internet to minimize resources expended on copying & verbal inquiries			100%	
	% of budget spent for administrative services	61%	69%	67%	
	Number of motor carrier safety inspections per officer	450	240	300	
Quality	Respond to 90% of the written inquiries by staff, utility representatives and consumers within 30 days.	---	---	90%	
	Render 100% of the written recommendations that must be made on contested matters within 90 days of the submission of the final pleadings.	---	---	100%	
	Respond to 90% of the verbal inquiries by staff, utility representatives and consumers by the next business day	---	---	90%	
	Respond to 90% of complaints within five business days	---	---	90%	
STRATEGIES	Continue installation and improvement of electronic processing system. Monitor regulatory/legislative developments at the federal and state level in order to provide the most accurate information available. Participate in training activities that provide the most recent technical insight on matters pertinent to the APSC. Designate specific staff members to have primary responsibility for specific areas to increase efficiency. Use electronic imaging and delivery wherever possible to reduce costs and processing time. Ensure that major recommendations/decisions are posted on the internet in order to minimize the resources expended on verbal inquiries and copying. Refine performance measures to more accurately measure success or failure.				
ACTIVITY 2	0036 Gas Pipeline Safety	\$846,664	\$1,077,471	\$1,153,893	
MISSION	To provide for the safe and efficient operation of natural gas and hazardous liquid systems throughout Alabama for the rate payers and the general public.				
VISION (Optional)					
VALUES (Optional)					
GOAL(S)	To maintain compliance with the Minimum Federal Gas Pipeline Safety Standards. To promote safe operations within natural gas and hazardous liquid facilities. To prevent incidents due to operator error. To strengthen our pipeline safety program through education and training. To establish liaison with operators through education and training. To maintain adequate staffing in accordance with Federal guidelines. To provide employee/inspector training at the Transportation Safety Institute within the first 3-1/2 years of employment. To promote underground damage prevention through a "Dig Safely." campaign. To maintain program files and records in a secure, readily accessible location.				
WORKLOAD	The Federal Office of Pipeline Safety will continue to fund our program at or near 50%. We will continue to receive earmarked grants to promote "Dig Safely." We will continue to receive earmarked revenue through annual service line fees. Number of companies regulated Number of inspections (person-days)	181 1,235	181 1,235	181 1,235	

State of Alabama EBO Form No. 4b		PUBLIC SERVICE COMMISSION FY 2005-2006 SMART OPERATIONS PLAN		Agency No.: 018 Page 1 of	
		ACTUAL FY04	BUDGET FY05	BUDGET FY06	
CRITICAL ISSUES					
	Internal Unable to maintain staffing level to adequately enforce minimum safety standards.				
	External If federal funding levels dramatically decreased for core program support, it would put the safety of the public at risk. Federal grant for "Dig Safely." reduced by Congressional mandate would spark an increase in preventable incidents. Lack of program support from Congress, the President and the federal government would hinder productivity and threaten program success.				
OBJECTIVES					
	Spending Increase program spending by no more than 10%.	\$846,664	\$1,077,471	\$1,153,893	
	Staffing Maintain existing staffing level equivalent to Federal Staffing formula and support staff.	10	11	13	
	Efficiency Spending cost per number inspections	\$686	\$872	\$934	
	Number of inspections per investigator	176	176	154	
	Quality % of employees trained within 3 1/2 years	100%	100%	88%	
	% of operators inspected per calendar year	100%	100%	100%	
	Investigate 100% of gas pipeline incidents	100%	100%	100%	
STRATEGIES					
	Compliance with the Minimum Federal Gas Pipeline Safety Standards will be achieved through comprehensive audits performed by competent inspectors. Safe operations of natural gas and hazardous liquid facilities shall be promoted during audits through recommendations and/or enforcement action letters and documentations. Accident investigations shall be conducted following telephonic reporting of a gas or liquid release meeting set criteria. Errors in operation shall be addressed to prevent recurrence. Any weakness in the Minimum Pipeline Safety Standards shall be addressed and corrected through agency promulgation or by resolution to the Federal Office of Pipeline Safety. Liaison with jurisdictional operators shall be established through participating in continuing education and training. Staffing levels shall be such that the Pipeline Safety Section will be able to conduct inspections and audits necessary to maintain compliance. Staff employees shall be required to attend and complete courses at the Transportation Safety Institute within the timeframe established. The program shall continue promoting underground damage prevention of all utilities through annual campaign of "Dig Safely." as long as the grant is available. Program files and records are and shall be maintained, for each jurisdictional operator, in a secure and readily accessible location.				
ACTIVITY 3					
	MISSION 0024 Energy Division	\$1,191,167	\$1,291,694	\$1,446,360	
	To assure fair and equitable rates and efficient operations of all electric, natural gas, and water utilities under the jurisdiction of the Commission by monitoring their operations, rates, and tariffs, exercising delegated authority over the utilities, and making appropriate recommendations to the Commission.				
	VISION (Optional)				
	VALUES (Optional)				
	GOAL(S) To develop electric, natural gas and water utility rates and charges for services that are below the national average rates; such that a favorable business climate will be created to facilitate the rapid expansion of economic development in Alabama. To be recognized by the citizens of Alabama as providing an efficient, accountable, responsive and trusted public service. To ensure that an adequate and reliable supply of electric energy natural gas, and water is available to the citizens of Alabama. To develop rates and charges for services that are fair and equitable so that the interests of both utilities and consumers are properly balanced.				

State of Alabama EBO Form No. 4b		PUBLIC SERVICE COMMISSION FY 2005-2006 SMART OPERATIONS PLAN			Agency No.: 018 Page 1 of	
		ACTUAL FY04	BUDGET FY05	BUDGET FY06		
WORKLOAD	Number of companies regulated	23	23	23		
CRITICAL ISSUES						
	Internal Improve training opportunities for the staff. Maintaining stable rates while allowing the utility companies to recover escalating costs for environmental, health care, insurance, and fuel. Retaining qualified personnel.					
	External Merit system hinders the recognition of "high performers." Federal policy towards the electric and natural gas industries could change the regulatory landscape at the State level. Utility employees' healthcare and insurance costs continue to rise and put upward pressures on rates.					
OBJECTIVES						
	Spending Spending levels will not increase by more than 15%.	\$1,191,167	\$1,291,694	\$1,446,360		
	Staffing Maintain staffing at current levels.	18	18	18		
	Efficiency In-state travel and out-of-state travel not to increase by more than 15%. Cost per regulated company.	—	3%	12%		
		\$51,790	\$56,161	\$62,885		
	Quality Issue 95% of recommendations within 30 days of the completion of analyses, investigations, and receipt of all necessary information. % of Alabama rate below the national average (electric).	95%	95%	95%		
		22%	22%	22%		
STRATEGIES	Monitor, examine and evaluate regulated utility actions and policies through regular audits, visits and monitoring activities. Participate in the development of policies or regulations affecting utilities. Review and monitor various reliability reports/measures on a continuous basis. Conduct on-site examinations of utilities on a monthly basis to keep informed as to their general condition and the manner in which their plants, equipment and other property are managed, conducted and operated. Give immediate responses to voice and mail inquiries from the public. Make a minimum of one on-site visit per company each year. Continue to evaluate regulatory procedures and improve the scope of regulatory oversight while maintaining the staff at current levels. Discontinue regulatory procedures that are less productive. Continue to develop regulatory methods and procedures that will facilitate the highest quality electric, natural gas, and water service possible. Increase training and educational opportunities for the staff. Acquire new technologies that will improve the quality of staff performance.					
ACTIVITY 4	0026 Telecommunications Division	\$1,739,457	\$1,818,747	\$1,870,433		
MISSION	To ensure modern, high quality telecommunications services are provided to Alabamians at reasonable prices.					
VISION (Optional)	To develop a regulatory environment wherein affordable high speed telecommunications services are available to all Alabamians.					
VALUES (Optional)	A technically proficient organization that is capable of adapting to a rapidly changing telecommunications industry and is committed to excellence for ourselves, the public that we serve, and the businesses whom we regulate.					
GOAL(S)	To provide the regulation necessary that ensures broadband telecommunications infrastructure and services are ubiquitously available in Alabama. To provide the regulation necessary that ensures Alabama ratepayers receive the highest possible telecommunications service quality. To provide the regulation necessary that ensures modern telecommunications services are available at affordable prices.					

State of Alabama EBO Form No. 4b		PUBLIC SERVICE COMMISSION FY 2005-2006 SMART OPERATIONS PLAN		Agency No.: 018 Page 1 of	
		ACTUAL FY04	BUDGET FY05	BUDGET FY06	
WORKLOAD	Number of companies regulated	749	774	799	
CRITICAL ISSUES					
Internal	Reorganization plan underway to adapt to changing regulatory requirements allows for attrition to eliminate some classifications and others to be increased. Funding the new organization staff requirements is critical as the Division transitions with the industry it regulates. Maintaining Division auto fleet and data automation capability. Currently, no funding is available to replace a rapidly aging vehicle fleet and very little funds are available to prevent technological obsolescence when it comes to desktop computers.				
External	Whether the FCC preempts states on regulation of broadband services. All telecommunications services are in the process of transitioning to broadband delivery. If the FCC preempts state regulatory authority of these services, our authority and staffing requirements will change dramatically and the people of Alabama will have no local advocacy when it comes to telephone utility matters.				
OBJECTIVES					
Spending	Increase funding for transportation equipment to \$50,000 annually	\$0	\$0	\$0	
	Increase funding for other equipment to at least \$20,000 annually	\$19,474	\$20,000	\$5,000	
	Increase personnel expenses only to the extent of the established reorganization plan plus annual merit raises for existing employees	\$1,448,125	\$1,529,846	\$1,578,792	
Staffing	Through existing reorganization plan, existing personnel positions will be cut, via attrition, from 32 to 26. As some skill sets are eliminated, others will be increased. However, the net effect will be a reduction in personnel requirements.	25	26	24	
Efficiency	Total cost per regulated company	\$2,322	\$2,350	\$2,341	
Quality	Complete review of 90% of proposed service agreements within 60 days	---	---	90%	
STRATEGIES	Follow established Division reorganization plan. Request increased funding for transportation and computer equipment. Develop a schedule for replacement.				
ACTIVITY 5	0033Transportation Division	\$1,416,278	\$1,081,932	\$1,243,668	
MISSION	To provide regulatory oversight for transportation companies and railroad operations within Alabama pertaining to rates, registration, insurance, and safety and to ensure compliance with all applicable state and federal regulations.				
VISION (Optional)					
VALUES (Optional)					
GOAL(S)	To conduct sufficient carrier record and compliance reviews. To maintain carrier tariffs for public review and inspection. To accurately measure, assess and report conditions of railroad track, structure, and rolling stock. To accurately complete required forms (electronically or paper). To transfer data gathered to Federal Railroad Administration in a timely manner. To ensure safe and efficient operation of trains. To receive, review, and process all applications to register authority and receive registration numbers; and respond to the applicant within two weeks. To be accountable to the public by journalizing all monies received and recording the distribution into the various balance sheet accounts according to guidelines provided by the Examiners of Public Accounts daily. To collect and distribute fees for other states according to reciprocity agreements, and generate prescribed reports of distribution monthly. To receive all insurance filings daily, determine if they are applicable to the registered motor carriers and in compliance with filing requirements. To review records daily for motor carriers out of compliance and initiate proceedings to revoke the authority where applicable. To review records daily for motor carriers now found to be in compliance that should be reinstated. Each inspector to perform a minimum of 100 safety inspections				

State of Alabama EBO Form No. 4b		PUBLIC SERVICE COMMISSION FY 2005-2006 SMART OPERATIONS PLAN		Agency No.: 018 Page 1 of	
		ACTUAL FY04	BUDGET FY05	BUDGET FY06	
	annually. Each Enforcement Officer to perform a minimum of 200 safety inspections annually				
WORKLOAD	Number of miles of track inspected	2,042	2,200	2,000	
	Number of locomotives and rolling stock inspected	8,381	9,419	8,000	
	Number of motor carriers regulated	35,000	35,000	35,000	
	Number of railroads regulated	34	34	34	
	Vehicle ID Numbers Issued	472,278	490,028	490,000	
	Insurance Certificates Processed	20,568	19,828	20,000	
CRITICAL ISSUES	Efforts to preserve funding for insurance and safety programs of interstate motor carriers require coordination with other states and federal agencies.				
External	95% of funding for insurance and safety programs comes from interstate motor carriers and a federally mandated registration program. These funds are federal funds and are subject to elimination by Congress. (Title 49 USC, Section 13908(d))				
OBJECTIVES					
Spending	Hold division budget increases to less than 20%	\$1,416,278	\$1,081,932	\$1,243,668	
Staffing	Increase staff to level necessary to comply with mission statement.	18	15	17	
Efficiency	Labor cost per railroad	\$6,038	\$6,605	\$6,670	
	Budget cost per staff member	\$78,682	\$72,129	\$73,157	
	Number of railway safety inspections per inspector	99	100	120	
Quality	Number of audits conducted to assure compliance.	98	95	100	
	Number of railroad accidents	4	12	5	
	Ratio of reinstatements versus revocations	61%	70%	72%	
	Improve ratio of net authority gain/loss versus new applications	---	59%	65%	
STRATEGIES	Implement electronic registration to optimize efficiency and possibly reduce staff.				
	Attend formal training provided by the Federal Railroad Administration and maintain full certification to enforce federal safety regulations as per CAR 9, Part 212.				
	To fill vacancies in Rates and Services Section releasing one person from the responsibility of the entire section.				
	Increase railway safety staff with addition of inspectors in one or more disciplines, including signals, operating practices, and hazardous materials.				
	Implement electronic filings and scanning tools in order to enhance ability to better serve the public.				

Smart Quarterly Performance Report											
Fiscal Year: 2006											
Agency: 018 Public Service Commission											
Org:											
Program: 041 REGULATORY SERVICES											
Activity: 0037 LICENSES											
Performance Measures		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Annual	
Workload/Cost Factor	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
WC1: Agency operating budget	\$	0	0	0	0	0	0	0	0	11,261,221	11,623,961
WC2: Agency entire budget	\$	0	0	0	0	0	0	0	0	17,476,893	17,503,893
WC3: Written recommendations on contested matters	#	32	16	37	18	32	33	29	30	130	97
WC4: Verbal inquiries	#	105	2,571	105	2,937	105	2,314	105	2,132	420	9,954
WC5: Number of complaints	#	2,000	584	2,100	684	2,000	559	2,000	460	8,100	2,267
WC6: Written inquiries	#	430	430	492	584	450	392	500	447	1,872	1,853

Spending	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
SP1: Increase administrative spending by no more than 10%	\$	5,253,868	1,156,009	2,321,649	1,227,589	2,154,874	1,236,772	2,032,148	1,015,278	11,782,539	4,635,648
Staffing	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
ST1: Increase staff by no more than 5	# FTE	62	53	64	53	64	55	64	56	64	58
Efficiency	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
EF1: Post all major recommendations/decisions to the internet to minimize resources expended on copying & verbal inquiries	%	100	100	100	100	100	100	100	100	100	100
EF2: % of budget spent on administrative services	%	67	52	67	49	67	48	67	46	67	49
EF3: Maintain # motor carrier safety inspections per officer	# inspections per officer	75	70	75	46	75	71	75	86	300	273
Quality	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
QU1: Respond to 90% of the written inquiries by staff, utility representatives and consumers within 30 days	%	90	90	90	92	90	89	90	92	90	91
QU2: Render 100% of the written recommendations that must be made on contested matters within 90 days of the submission of the final pleadings	%	100	100	100	100	100	100	100	100	100	100
QU3: Respond to 90% of the verbal inquiries by staff, utility representatives and consumers by the next business day	%	90	93	90	90	90	91	90	95	90	92
QU4: Respond to 90% of complaints within 5 business days	%	90	34	90	15	90	63	90	25	90	34

Item # Notes

SP1- Actual amounts does not include transfers to general fund and debt service.

How have policy decisions and budget determinations made by the governor and the legislature in the fiscal year 2005-06 affected your agency in meeting its desired accomplishments and services?
Due to the mandatory transfers, the Commission must restrict expenditures each quarter in order to have funds available for the mandatory transfers.
What administrative improvements did your agency make in fiscal year 2005-06 and what potential improvements do you foresee for future years? Include suggested changes in legislation or administrative procedures which would aid your agency in these improvements.
The Commission has implemented an agency wide electronic filing and database system to reduce our resource cost, to increase efficiency and to reduce duplication of information across divisions. Additionally, the Commission has implemented changes to its website in an effort to comply with the Open Meetings Act.

Smart Quarterly Performance Report

Fiscal Year: 2006

Agency: 018 Public Service Commission

Org:

Program: 041 REGULATORY SERVICES

Activity: 0024 ENERGY

Performance Measures		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Annual	
Workload/Cost Factor	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
WC1: Number of companies regulated	# of companies	23	21	23	23	23	23	23	23	23	23
Spending	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
SP1: Spending levels will not increase by more than 15% from previous year	\$	454,672	353,790	374,531	321,169	324,069	379,270	293,088	294,563	1,446,360	1,348,792
Staffing	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
ST1: Maintain staff at current levels	#	18	17	18	17	18	17	18	16	18	17
Efficiency	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
EF1: In-state & out-of-state travel will not increase by more than 15% from previous year	%	12	234	12	26	12	15.68	12	42.69	12	52.81
EF2: Cost per regulated company	\$	15,722	16,847	15,721	15,294	15,721	16,490	15,721	12,807	82,885	58,643
Quality	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
QU1: Issue 95% of recommendations within 30 days of the completion of analyses, investigations & receipt of all necessary information	%	95	100	95	100	95	100	95	88	95	96.88
QU2: % of Alabama electric rates below national average	%	22	21	22	23	22	16	22	14.26	22	18.57

Item # Notes

EF1- Out of state travel was incurred in 1st qtr this year but there was not any in 1st qtr fy-05

How have policy decisions and budget determinations made by the governor and the legislature in the fiscal year 2005-06 affected your agency in meeting its desired accomplishments and services?

Not Applicable Yet

What administrative improvements did your agency make in fiscal year 2005-06 and what potential improvements do you foresee for future years? Include suggested changes in legislation or administrative procedures which would aid your agency in these improvements.

Not Applicable Yet

Smart Quarterly Performance Report
Fiscal Year: 2006
Agency: 018 Public Service Commission
Org:
Program: 041 REGULATORY SERVICES
Activity: 0036 GAS PIPELINE SAFETY

Performance Measures		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Annual	
Workload/Cost Factor	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
WC1: Companies regulated will remain essentially constant	# of cos	181	176	181	167	181	166	181	166	181	169
WC2: Number of person-days for inspections will remain fairly constant	# of person-days	308	275	309	330	309	324	309	341	1,235	1,270
Spending	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
SP1: Increase program spending by no more than 10% not including One-Call grants	\$	422,212	261,773	283,245	188,205	243,257	217,573	205,179	254,831	1,153,893	922,382
Staffing	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
ST1: Maintain existing staffing level equivalent to Federal Staffing Formula	# FTE	13	10	13	10	13	10	13	10	13	10
Efficiency	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
EF1: Maintain number of inspections per investigator	# of inspections	39	34	39	41	38	32	38	43	154	150
EF2: Maintain or reduce cost per inspection	\$/inspection	934	952	934	570	934	652	934	747	934	730.25
EF3: Maintain adequate inspection ratio, person-days/total program person-days (above or equal to .38)	%	0.38	0.5	0.38	0.6	0.38	0.59	0.38	0.62	0.38	0.578
Quality	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
QU1: Have 100% of new employees fully trained within 3.5 yrs	% fully trained	88	100	88	100	88	100	88	100	88	100
QU2: Inspect 100% of operators each year	% inspected	25	16	25	31	25	23	25	30	100	100
QU3: Investigate 100% of gas pipeline incidents	% investigated	100	100	100	100	100	100	100	100	100	100

How have policy decisions and budget determinations made by the governor and the legislature in the fiscal year 2005-06 affected your agency in meeting its desired accomplishments and services?

Not Applicable Yet

What administrative improvements did your agency make in fiscal year 2005-06 and what potential improvements do you foresee for future years? Include suggested changes in legislation or administrative procedures which would aid your agency in these improvements.

Smart Quarterly Performance Report

Fiscal Year: 2006

Agency: 018 Public Service Commission

Org:

Program: 041 REGULATORY SERVICES

Activity: 0026 TELECOMMUNICATIONS

Performance Measures		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Annual	
Workload/Cost Factor	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
WC1: Number of companies regulated	#	799	692	799	689	799	685	799	682	799	682
Spending	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
SP1: increase funding for transportation equipment to \$50,000 annually	\$	0	0	0	0	0	0	0	0	0	0
SP2: increase funding for other equipment to at least \$20,000 annually	\$	0	5,000	0	0	0	0	0	11,784	5,000	11,784
SP3: increase personnel expenses only to the extent of the established reorganization plan plus annual merit raises & other expenses for existing employees	\$	0	370,489	0	367,442	0	382,831	0	305,946	1,576,792	1,426,708
Staffing	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
ST1: Through existing reorganization plan, existing personnel positions will be cut, via abolition, from 32 to 28. As some skill sets are eliminated, others will be increased. However, the net effect will be a reduction in personnel requirements.	# FTE	24	22	23	22	24	22	24	22	24	22
Efficiency	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
EF1: Total cost per regulated company	\$	729	623	610	617	526	645	476	554	2,341	2,439
Quality	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
QU1: Complete review of 90% of proposed service agreements within 60 days	%	90	95	90	95	90	95	90	96	90	95

Item # Notes

SP2- During the first quarter \$5,000 for actual was entered in error.

SP2- During the first and fourth quarters, a budget revision was done; respectively \$5,000 and \$7,000 for projected. Annual projected should be \$12,000.

How have policy decisions and budget determinations made by the governor and the legislature in the fiscal year 2005-06 affected your agency in meeting its desired accomplishments and services?

Not Applicable Yet

What administrative improvements did your agency make in fiscal year 2005-06 and what potential improvements do you foresee for future years? Include suggested changes in legislation or administrative procedures which would aid your agency in these improvements.

Not Applicable Yet

Smart Quarterly Performance Report

Fiscal Year: 2006

Agency: 018 Public Service Commission

Org:

Program: 041 REGULATORY SERVICES

Activity: 0033 TRANSPORTATION

Performance Measures		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Annual	
Workload/Cost Factor	Performance Measure	Proposed	Actual	Proposed	Actual	Proposed	Actual	Proposed	Actual	Proposed	Actual
WC1: Number of miles of track inspected	# miles inspected	600	566	400	446	500	314	500	514	2,000	1,840
WC2: Number of locomotives & rolling stock inspected	# inspected	1,700	1,365	1,900	2,403	2,500	2,923	1,900	2,125	8,000	8,816
WC3: Number of motor carriers regulated	# of carriers		51,413		51,449		51,822	0	51,661	35,000	51,661
WC4: Number of railroads regulated	# of railroads	0	32	0	32	0	32	0	32	34	32
WC5: Vehicle ID numbers issued	# issued	145,000	22,621	191,000	417,967	104,000	14,018	50,000	16,788	490,000	471,394
WC6: Insurance certificates processed	# processed	3,300	3,826	5,600	4,575	5,500	5,456	5,600	4,963	20,000	18,820

Spending	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
SP1: Hold division budget increase to less than 20%	\$	394,295	289,178	322,786	292,049	278,227	314,528	248,360	247,112	1,243,668	1,142,867
Staffing	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
ST1: Increase staff to level necessary to comply with mission statement	# FTE	17	15	17	15	17	15	17	15	17	15
Efficiency	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
EF1: Labor cost per railroad	\$/rr	0	1,995	0	1,685	0	2,079.95	0	1,771	6,670	7,531
EF2: Budget cost per staff member	\$/FTE	0	19,279	0	19,470	0	20,968.53	0	16,474	73,157	76,192
EF3: Maintain # of railway safety inspections per inspector	#/inspector	30	*	30	*	30	*	30	*	120	*
Quality	Performance Indicator	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
QU1: Increase number of audits conducted to assure compliance	# audits	25	27	25	3	25	35	25	15	100	80
QU2: Reduce # of railroad accidents	# accidents	1	0	2	6	1	2	1	1	5	9
QU3: Increase ratio of reinstatements versus revocations	%	72	59	72	52	72	58	72	28	72	50
QU4: Improve ratio of net authority gain/loss versus new applications	%	60	41	60	31	65	40	65	22	65	34

Item # Notes

WC3- Item subject to pending changes in federal motor carrier regulations

WC5- Item subject to pending changes in federal motor carrier regulations

WC6- Item subject to pending changes in federal motor carrier regulations

QU1- Item subject to pending changes in federal motor carrier regulations

QU3- Item subject to pending changes in federal motor carrier regulations. The ration depends on the economy and the motor carrier's ability to maintain insurance coverage.

QU4- Item subject to pending changes in federal motor carrier regulations. The ration depends on the economy and the motor carrier's ability to maintain insurance coverage.

EF3- Because of the nature of inspections this is not a practical measurement. We have changed this for FY-2007.

How have policy decisions and budget determinations made by the governor and the legislature in the fiscal year 2005-06 affected your agency in meeting its desired accomplishments and services?

Not Applicable Yet

What administrative improvements did your agency make in fiscal year 2005-06 and what potential improvements do you foresee for future years? Include suggested changes in legislation or administrative procedures which would aid your agency in these improvements.

Not Applicable Yet

2007 SMART Operations Plan

Agency/ Org	018 - Public Service Commission
Organization	-
Program	-
Activity	-

Mission	To ensure a regulatory balance between regulated companies and consumers in order to provide consumers with safe, adequate and reliable services at rates that are equitable and economical. (Code of Alabama, Sections 37-1-1 to 37-1-157).
Vision	A regulatory environment that addresses the needs of consumers in a timely manner while providing a fair rate of return for regulated companies.
Values	Competent and professional staff. Independence in fact and appearance. Efficiency. Responsiveness.

Goals	
G1:	To ensure that the Commission's statutory duties and responsibilities are carried out and enforced in a manner that balances the interests of the regulated companies and consumers. (GP-1)
G2:	To be recognized by the citizens of Alabama as providing an efficient, accountable, responsive and trusted public service. (GP-1)
G3:	To provide prompt and quality responses to consumer complaints and companies' inquiries. (GP-1)
G4:	To ensure full compliance with rules and regulations established at the state and federal level. (GP-7)
G5:	To provide timely review of all matters before the Commission. (GP-1)

Source of Funds			
Fund Code	Fund Name	Requested FY 07	Budgeted FY 07
0325	Gas Pipeline Safety Fund	\$1,512,204	\$1,512,204
0326	Public Service Commission Fund	\$13,053,601	\$16,876,601
Total of all Funds Listed Above:		\$14,565,805	\$18,388,805

Agency/ Org	018 - Public Service Commission
Organization	-
Program	041 - REGULATORY SERVICES
Activity	0024 - ENERGY ✓

Mission	To serve the people of Alabama through consumer protection and fair regulation of jurisdictional utilities (Ala. Code 37-1-80).
Vision	Customers will be ensured safe, reliable, and economical service while public utilities will be allowed an opportunity to earn a reasonable return.
Values	We value safe, affordable, reliable and efficient utility rates and services. We value loyal, cooperative and productive staff. We value conscientious and effective management of resources. We value being responsive to the public.

2007 SMART Operations Plan

Goals

- G1: To assist the Commission with maintaining just and reasonable utility rates and services. (GP-3)
- G2: To make well founded recommendations to the Commission. (GP-1)
- G3: To provide an efficient, accountable, responsive and trusted public service. (GP-1)

Critical Issues

- Internal** ICI1: Improve training opportunities for the staff. (G2)
- Internal** ICI2: Finding qualified personnel with regulatory or utility experience to replace an aging workforce. (G3)

Strategies

- 1). To know as much as possible about all aspects of the utilities' business. (ICI1)
- 2). To know as much as possible about the various rate making components. (G1)
- 3). Prudently review utility matters before the Commission. (G1)
- 4). Keep the Commission's Rules and Regulations current and complete. (G1)
- 5). Provide timely responses to all inquiries. (G3)

2007 SMART Operations Plan

Workloads								Performance Indicator
Number of filings evaluated and orders composed.								#
FY 07 Projected: 90				FY 07 Target: 90				
FY07 Quarterly Projections:	1 st Qtr:	23	2nd Qtr:	23	3 rd Qtr:	22	4 th Qtr:	22
Number of inquiries and information requests addressed.								#
FY 07 Projected: 300				FY 07 Target: 300				
FY07 Quarterly Projections:	1 st Qtr:	75	2nd Qtr:	75	3 rd Qtr:	75	4 th Qtr:	75
Number of monitoring reports completed.								#
FY 07 Projected: 600				FY 07 Target: 600				
FY07 Quarterly Projections:	1 st Qtr:	150	2nd Qtr:	150	3 rd Qtr:	150	4 th Qtr:	150
Number of training hours completed.								#
FY 07 Projected: 500				FY 07 Target: 500				
FY07 Quarterly Projections:	1 st Qtr:	150	2nd Qtr:	150	3 rd Qtr:	125	4 th Qtr:	75
Number of site visits performed.								#
FY 07 Projected: 35				FY 07 Target: 35				
FY07 Quarterly Projections:	1 st Qtr:	9	2nd Qtr:	10	3 rd Qtr:	10	4 th Qtr:	6
Number of audits completed.								#
FY 07 Projected: 60				FY 07 Target: 60				
FY07 Quarterly Projections:	1 st Qtr:	20	2nd Qtr:	15	3 rd Qtr:	15	4 th Qtr:	10

Objectives								Performance Indicator
Spending	Travel and Training expenses will not increase by more than 5%.							\$ spent for travel, training & office supplies
FY 07 Projected: 43,000				FY 07 Target: 40,000				
FY07 Quarterly Projections:	1 st Qtr:	13000	2nd Qtr:	12000	3 rd Qtr:	10000	4 th Qtr:	5000
Staffing	Maintain staffing at current levels.							# FTE
FY 07 Projected: 23				FY 07 Target: 18				
FY07 Quarterly Projections:	1 st Qtr:	17	2nd Qtr:	18	3 rd Qtr:	18	4 th Qtr:	18
Efficiency	In-state travel and out-of-state travel not to increase by more than 5%.							\$ spent for travel
FY 07 Projected: 25,000				FY 07 Target: 24,000				
FY07 Quarterly Projections:	1 st Qtr:	7800	2nd Qtr:	7200	3 rd Qtr:	6000	4 th Qtr:	3000

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Efficiency	Issue 95% of recommendations within 30 days of the completion of analyses, investigations, and receipt of all necessary information.						%age of total recommendations issued within 30 days	
FY 07 Projected: 95		FY 07 Target: 95						
FY07 Quarterly Projections:	1 st Qtr:	95	2nd Qtr:	95	3 rd Qtr:	95	4 th Qtr:	95
Quality	Present 90% of cases to the Commission for action within 45 days of filing.						%age of cases presented within 45 days	
FY 07 Projected: 90		FY 07 Target: 90						
FY07 Quarterly Projections:	1 st Qtr:	90	2nd Qtr:	90	3 rd Qtr:	90	4 th Qtr:	90

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Agency/ Org	018 - Public Service Commission
Organization	-
Program	041 - REGULATORY SERVICES
Activity	0026 - TELECOMMUNICATIONS ✓

Mission	To ensure that modern high quality telecommunications services are provided to the citizens of Alabama at reasonable prices.
Vision	To develop a regulatory environment that promotes the development of high speed communications services for all of the citizens of Alabama.
Values	A technically proficient organization that is capable of adapting to a rapidly changing telecommunications industry and which is committed to excellence.

Goals

G1: Maintain regulation of telecommunication companies to provide the consumer with representation while allowing the regulated companies the flexibility to meet competition (GP-3)
G2: Place more emphasis on inspection of telephone company facilities and review of books and records for Universal Service Funds. The Universal Service Fund is a Federal mandate which provides assistance to high cost areas to aid in construction and maintenance (GP-7)

Critical Issues

Internal ICI1: To maintain an informed work force in order to address important issues facing the telecommunications industry. (G1)

External ECI1: Hiring new people with skills necessary to address complex issues. (G2)

External ECI2: Legislation which would aid in maintaining some regulatory control over telecommunications services and related services. (G1)

Strategies

- 1). To revise the Alabama Telecommunications Regulatory Plan to provide more flexibility to regulated telephone companies while providing for consumer protection ()
- 2). Place more emphasis on the inspection of telephone facilities and review of books and records for Universal Service Funds ()

2007 SMART Operations Plan

Workloads							Performance Indicator
Number of telephone plant, payphones, inmate phones, and hotels/motels inspected							#
FY 07 Projected: 2,500 FY 07 Target: 2,500							
FY07 Quarterly Projections:	1 st Qtr:	650	2nd Qtr:	650	3 rd Qtr:	650	4 th Qtr: 550
Number of tariffs and petitions filed							#
FY 07 Projected: 460 FY 07 Target: 460							
FY07 Quarterly Projections:	1 st Qtr:	115	2nd Qtr:	120	3 rd Qtr:	115	4 th Qtr: 110
Number of interconnection agreements filed							#
FY 07 Projected: 290 FY 07 Target: 290							
FY07 Quarterly Projections:	1 st Qtr:	80	2nd Qtr:	80	3 rd Qtr:	80	4 th Qtr: 50
Number of audits/reviews performed							#
FY 07 Projected: 20 FY 07 Target: 20							
FY07 Quarterly Projections:	1 st Qtr:	5	2nd Qtr:	5	3 rd Qtr:	5	4 th Qtr: 5
Reviewing performance measures for wholesale and retail operations							#
FY 07 Projected: 35 FY 07 Target: 35							
FY07 Quarterly Projections:	1 st Qtr:	8	2nd Qtr:	10	3 rd Qtr:	10	4 th Qtr: 7
Number of requests for mediation and arbitrations							#
FY 07 Projected: 6 FY 07 Target: 6							
FY07 Quarterly Projections:	1 st Qtr:	1	2nd Qtr:	2	3 rd Qtr:	2	4 th Qtr: 1

Objectives							Performance Indicator	
Spending	Maintain a level of spending which allows the division to function in a manner which assures that the division can perform its duties, including providing for merit raises for staff and providing for replacement of old and obsolete equipment						Budget \$	
FY 07 Projected:		2,435,563		FY 07 Target:		1,813,076		
FY07 Quarterly Projections:	1 st Qtr:	582246	2nd Qtr:	441078	3 rd Qtr:	437478	4 th Qtr:	352274
Staffing	Hire staff necessary to train to replace employees retiring within 2-3 years						# FTE	
FY 07 Projected:		27		FY 07 Target:		22		
FY07 Quarterly Projections:	1 st Qtr:	22	2nd Qtr:	22	3 rd Qtr:	22	4 th Qtr:	22
Efficiency	Number of telephone plant facilities, payphones, inmate phones, and hotels/motels inspected per employee assigned (9)						insp/emp	
FY 07 Projected:		277.8		FY 07 Target:		280		

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FY07 Quarterly Projections:	1 st Qtr:	70	2nd Qtr:	75	3 rd Qtr:	75	4 th Qtr:	60				
Efficiency	Number of filed tariffs reviewed per employee assigned (7)						rev/emp					
FY 07 Projected:		65.7							FY 07 Target:		66	
FY07 Quarterly Projections:	1 st Qtr:	16	2nd Qtr:	18	3 rd Qtr:	18	4 th Qtr:	14				
	Number of filed interconnection agreements reviewed per employee assigned (2)						rev/emp					
FY 07 Projected:		145							FY 07 Target:		145	
FY07 Quarterly Projections:	1 st Qtr:	36	2nd Qtr:	38	3 rd Qtr:	38	4 th Qtr:	33				
	Number of audits/reviews performed per employee assigned (3)						aud/emp					
FY 07 Projected:		6.7							FY 07 Target:		7	
FY07 Quarterly Projections:	1 st Qtr:	2	2nd Qtr:	2	3 rd Qtr:	2	4 th Qtr:	1				
	Review of performance measures for wholesale and retail operations per employee assigned (3)						rev/emp					
FY 07 Projected:		11.7							FY 07 Target:		12	
FY07 Quarterly Projections:	1 st Qtr:	3	2nd Qtr:	3	3 rd Qtr:	3	4 th Qtr:	3				
	Number of requests for mediation and arbitrations resolved per employee assigned (2)						req/emp					
FY 07 Projected:		3							FY 07 Target:		4	
FY07 Quarterly Projections:	1 st Qtr:	1	2nd Qtr:	1	3 rd Qtr:	1	4 th Qtr:	1				
Quality	Percent of improperly filed tariffs corrected prior to the effective date of tariff						%					
FY 07 Projected:		0.91							FY 07 Target:		0.91	
FY07 Quarterly Projections:	1 st Qtr:	.91	2nd Qtr:	.91	3 rd Qtr:	.91	4 th Qtr:	.91				
	Percent of interconnection agreements approved within one month of date filed						%					
FY 07 Projected:		0.91							FY 07 Target:		0.91	
FY07 Quarterly Projections:	1 st Qtr:	.91	2nd Qtr:	.91	3 rd Qtr:	.91	4 th Qtr:	.91				
	Percent of petitions processed within two months of date filed						%					
FY 07 Projected:		0.91							FY 07 Target:		0.91	
FY07 Quarterly Projections:	1 st Qtr:	.91	2nd Qtr:	.91	3 rd Qtr:	.91	4 th Qtr:	.91				

2007 SMART Operations Plan

Agency/ Org	018 - Public Service Commission
Organization	-
Program	041 - REGULATORY SERVICES
Activity	0033 - TRANSPORTATION ✓

Mission	To provide regulatory oversight for transportation companies and railroad operations within Alabama pertaining to rates, registration, insurance and safety and to ensure compliance with all applicable state and federal regulations.
Vision	A regulatory environment that addresses the safety of the citizens of Alabama.
Values	Competent and professional staff. Efficiency, responsiveness and cooperation between stockholders and the Commission.

Goals	<p>G1: To conduct sufficient motor carrier records and compliance reviews. (GP-7)</p> <p>G2: To accurately measure, assess and report conditions of railroad track, structure and rolling stock. (GP-5)</p> <p>G3: To ensure safe and efficient operations of trains. (GP-5)</p> <p>G4: Timely and accurate processing of all documents related to registrations, filings, and monies received or distributed. (GP-1)</p>
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External	EC11: Efforts to preserve funding for insurance and safety programs of interstate motor carriers require working with other states and federal agencies. ()
External	EC12: 95% of funding for insurance and safety programs comes from interstate motor carriers and a federally mandated registration program. ()

Strategies	<p>1). Implement electronic registration to optimize efficiency. (G4)</p> <p>2). Attend formal training provided by the Federal Railroad Administration and maintain full certification to enforce federal safety regulations per CAR 9, Part 212. (G3)</p> <p>3). To fill vacancies in Rates & Services Section releasing one person from the responsibility of the entire section. ()</p> <p>4). Increase Railway Safety staff with the addition of inspectors in one or more disciplines, including signals, operating practices and hazardous materials. ()</p> <p>5). Implement electronic filings and scanning tools in order to better serve the public. (G4)</p> <p>6). To convince the Governor, Legislature, Attorney General and PSC Commissioners of the necessity of making changes to match new Federal Registration Program guidelines. (EC11)</p>
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2007 SMART Operations Plan

Workloads								Performance Indicator
Number of applications processed								#
FY 07 Projected: 660				FY 07 Target: 660				
FY07 Quarterly Projections:	1 st Qtr:	300	2nd Qtr:	200	3 rd Qtr:	100	4 th Qtr:	60
Number of filings processed								#
FY 07 Projected: 19,000				FY 07 Target: 19,000				
FY07 Quarterly Projections:	1 st Qtr:	10000	2nd Qtr:	5000	3 rd Qtr:	3000	4 th Qtr:	1000
Number of miles of track inspections								#
FY 07 Projected: 1,100				FY 07 Target: 1,100				
FY07 Quarterly Projections:	1 st Qtr:	300	2nd Qtr:	300	3 rd Qtr:	300	4 th Qtr:	200
Number of rolling stock inspections								#
FY 07 Projected: 8,000				FY 07 Target: 8,000				
FY07 Quarterly Projections:	1 st Qtr:	2000	2nd Qtr:	2500	3 rd Qtr:	2000	4 th Qtr:	1500
Number of compliance reviews								#
FY 07 Projected: 300				FY 07 Target: 300				
FY07 Quarterly Projections:	1 st Qtr:	80	2nd Qtr:	85	3 rd Qtr:	75	4 th Qtr:	60
Number of complaints received								#
FY 07 Projected: 36				FY 07 Target: 36				
FY07 Quarterly Projections:	1 st Qtr:	9	2nd Qtr:	9	3 rd Qtr:	9	4 th Qtr:	9

Objectives								Performance Indicator
Spending	Reduce postage costs 5% by using more electronic filing							amount of postage
FY 07 Projected: 7,300				FY 07 Target: 7,300				
FY07 Quarterly Projections:	1 st Qtr:	1500	2nd Qtr:	1900	3 rd Qtr:	2700	4 th Qtr:	1200
Staffing	Maintain staff at existing levels							# FTE
FY 07 Projected: 22				FY 07 Target: 16				
FY07 Quarterly Projections:	1 st Qtr:	16	2nd Qtr:	16	3 rd Qtr:	16	4 th Qtr:	16
Quality	Receive, review and process all applications to register authority and receive registration numbers and respond to the applicant within 2 weeks							% of total applications processed within 2 weeks
FY 07 Projected: 1				FY 07 Target: 100				
FY07 Quarterly Projections:	1 st Qtr:	100	2nd Qtr:	100	3 rd Qtr:	100	4 th Qtr:	100

2007 SMART Operations Plan

Agency/ Org	018 - Public Service Commission
Organization	-
Program	041 - REGULATORY SERVICES
Activity	0036 - GAS PIPELINE SAFETY

Mission	To provide for the safe and efficient operation of natural gas and hazardous liquid systems throughout Alabama for the rate payers and the general public.
Vision	Customers and the general public will be ensured safe, reliable and efficient service while operators will be allowed an opportunity to comply with minimum safety standards.
Values	Safe, reliable and efficient operation, maintenance and service. Loyal, cooperative and productive staff. Conscientious and effective management of resources. Being responsive to our operators and the public.

Goals

- G1: To maintain compliance with the Minimum Federal Gas Pipeline Safety Standards. (GP-4)
- G2: To promote safe operations within natural gas and hazardous liquid facilities. (GP-5)
- G3: To prevent incidents due to operator error. (GP-5)
- G4: To strengthen the program through training of staff and operators. (GP-3)
- G5: To promote underground damage prevention through the "Dig Safely" campaign. (GP-6)
- G6: To maintain files and records in a secure, readily accessible location. (GP-7)

Critical Issues

Internal ICI1: Unable to maintain staffing level to adequately enforce minimum safety standards ()

External ECI1: Federal funding levels dramatically decrease for core program support (G1)

External ECI2: Federal grant for "Dig Safely" reduced by Congressional mandate (G5)

External ECI3: Lack of program support from federal authorities (G1)

Strategies

- 1). Achieve minimum compliance with Federal Gas Pipeline Safety Standards. (G1)
- 2). Maintain proper staffing level with competent inspectors based on workload and federal guidelines (ICI1)
- 3). Promote the safe operations of all facilities (G2)
- 4). Minimum Pipeline Safety Standards shall be improved as found necessary (G2)
- 5). Establish liason with jurisdictional operators (G3)
- 6). Establish and maintain records in accordance with federal guidelines (G6)

2007 SMART Operations Plan

Workloads								Performance Indicator
Number of companies regulated								#
FY 07 Projected: 171				FY 07 Target: 171				
FY07 Quarterly Projections:	1 st Qtr:	171	2nd Qtr:	171	3 rd Qtr:	171	4 th Qtr:	171
Number of inspections (person-days)								# person-days
FY 07 Projected: 740				FY 07 Target: 740				
FY07 Quarterly Projections:	1 st Qtr:	185	2nd Qtr:	185	3 rd Qtr:	185	4 th Qtr:	185
Staffing level								# FTE
FY 07 Projected: 15				FY 07 Target: 15				
FY07 Quarterly Projections:	1 st Qtr:	11	2nd Qtr:	12	3 rd Qtr:	15	4 th Qtr:	15
Number of incidents								#
FY 07 Projected: 8				FY 07 Target: 8				
FY07 Quarterly Projections:	1 st Qtr:	2	2nd Qtr:	2	3 rd Qtr:	2	4 th Qtr:	2

Objectives								Performance Indicator
Spending	Increase program spending by no more than 5%							Program budget
FY 07 Projected: 1,512,204				FY 07 Target: 1,512,204				
FY07 Quarterly Projections:	1 st Qtr:	544498	2nd Qtr:	352940	3 rd Qtr:	345740	4 th Qtr:	269026
Staffing	Maintain existing staffing level equivalent to Federal Staffing Formula and provide adequate training for each inspector							FTE
FY 07 Projected: 15				FY 07 Target: 15				
FY07 Quarterly Projections:	1 st Qtr:	11	2nd Qtr:	12	3 rd Qtr:	15	4 th Qtr:	15
Efficiency	Maintain adequate inspection ratio, person-days/total program person-days (acceptable above or equal to .38)							Inspection ratio
FY 07 Projected: 0.38				FY 07 Target: 0.38				
FY07 Quarterly Projections:	1 st Qtr:	.38	2nd Qtr:	.38	3 rd Qtr:	.38	4 th Qtr:	.38
Quality	Prioritize and inspect 100% of jurisdictional operators each calendar year							% inspected
FY 07 Projected: 100				FY 07 Target: 100				
FY07 Quarterly Projections:	1 st Qtr:	25	2nd Qtr:	25	3 rd Qtr:	25	4 th Qtr:	25
	Investigate all incidents							% investigated
FY 07 Projected: 100				FY 07 Target: 100				
FY07 Quarterly Projections:	1 st Qtr:	100	2nd Qtr:	100	3 rd Qtr:	100	4 th Qtr:	100

2007 SMART Operations Plan

Agency/ Org	018 - Public Service Commission
Organization	-
Program	041 - REGULATORY SERVICES
Activity	0037 - LICENSES

Mission	To provide management and legal oversight, guidance, consultation and administrative services for the Commission and its personnel, the entities subject to the jurisdiction of the Commission and the Alabama consumers who are customers of those entities.
Vision	To provide objective, accurate, consistent and timely oversight, legal services and support for all stakeholders in a manner that enables the Commission to fulfill its statutory charge.
Values	Efficiency, Timeliness, Accuracy(Competence), Objectivity(Professionalism, Independence), Consistency, Diligence

Goals	<p>G1: Consistently apply and enforce Commission procedures and regulations to provide safe, adequate and reliable services at affordable rates for consumers and also to adequately compensate utilities and motor carriers. (GP-5)</p> <p>G2: To ensure that the Commission's statutory duties and responsibilities are carried out and enforced in a manner that balances the interests of the regulated companies with the interests of the consumers those utilities serve. (GP-7)</p> <p>G3: To provide timely and quality assistance to consumers regarding utility complaints and inquiries. (GP-1)</p> <p>G4: To render timely and accurate review/recommendations/decisions on pending applications, certification proceedings, complaints, investigations and all other matters before the Commission. (GP-7)</p> <p>G5: To provide the Commissioners and staff with information on all federal and state matters related to the Commission. (GP-7)</p> <p>G6: To provide data processing, personnel and financial services for the Commission to ensure operations run smoothly and efficiently. (GP-1)</p>
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Critical Issues	<p>Internal ICI1: Managing increasing workload efficiently with a smaller, less experienced staff so that a stable, more competitive utility infrastructure that will benefit all Alabamians continues to develop. (G2)</p> <p>External ECI1: Improve the competitiveness of salaries with private industry in order to retain existing personnel and attract qualified applicants to fill vacancies. ()</p> <p>External ECI2: Federal and/or state policy towards the telecommunications and electric industry could change the regulatory landscape. (G5)</p> <p>External ECI3: Federally dictated decisions continue to hinder the ability of the Legal Division to ensure that the Commission upholds and fulfills its statutory responsibilities. (G5)</p> <p>External ECI4: Supervision and inspection fees have not been increased since 1991; however the agency's cost of regulating has increased significantly. ()</p>
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Strategies	<p>1). Use electronic imaging and delivery wherever possible to reduce costs and processing time (ICI1)</p> <p>2). Ensure that major recommendations/decisions are posted on the internet in order to minimize the resources expended on verbal inquiries and copying (G6)</p> <p>3). Monitor regulatory/legislative developments at the federal and state level in order to provide the most accurate information available (G5)</p>
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2007 SMART Operations Plan

Workloads								Performance Indicator
Number of filings, registrations, hearings and orders issued								#
FY 07 Projected: 2,600				FY 07 Target: 2,600				
FY07 Quarterly Projections:	1 st Qtr:	700	2nd Qtr:	700	3 rd Qtr:	600	4 th Qtr:	600
Number of regulated companies and motor carriers								#
FY 07 Projected: 30,450				FY 07 Target: 30,450				
FY07 Quarterly Projections:	1 st Qtr:	30450	2nd Qtr:	30450	3 rd Qtr:	30450	4 th Qtr:	30450
Number of consumer complaints								#
FY 07 Projected: 9,500				FY 07 Target: 9,500				
FY07 Quarterly Projections:	1 st Qtr:	2500	2nd Qtr:	2200	3 rd Qtr:	2500	4 th Qtr:	2300
Number of companies billed								#
FY 07 Projected: 780				FY 07 Target: 780				
FY07 Quarterly Projections:	1 st Qtr:	780	2nd Qtr:	0	3 rd Qtr:	0	4 th Qtr:	0
Number of vouchers processed								#
FY 07 Projected: 2,200				FY 07 Target: 2,200				
FY07 Quarterly Projections:	1 st Qtr:	600	2nd Qtr:	600	3 rd Qtr:	600	4 th Qtr:	400
Number and nature of inquiries received								#
FY 07 Projected: 400				FY 07 Target: 400				
FY07 Quarterly Projections:	1 st Qtr:	100	2nd Qtr:	100	3 rd Qtr:	100	4 th Qtr:	100

Objectives								Performance Indicator
Spending	Increase administrative spending by no more than 10%							\$ Admin. Budget
FY 07 Projected: 6,867,061				FY 07 Target: 12,173,084				
FY07 Quarterly Projections:	1 st Qtr:	5274670	2nd Qtr:	2398720	3 rd Qtr:	2389220	4 th Qtr:	2110474
Staffing	Maintain current budgeted levels							# FTE
FY 07 Projected: 71				FY 07 Target: 68				
FY07 Quarterly Projections:	1 st Qtr:	68	2nd Qtr:	68	3 rd Qtr:	68	4 th Qtr:	68
Efficiency	Post all major recommendations/decisions to the internet to minimize resources expended on copying and verbal inquiries							% of postings
FY 07 Projected: 1				FY 07 Target: 100				
FY07 Quarterly Projections:	1 st Qtr:	100	2nd Qtr:	100	3 rd Qtr:	100	4 th Qtr:	100

2007 SMART Operations Plan

Efficiency	Use correct mailing addresses for fee letters to reduce number of returns and remailings						# of letters returned	
FY 07 Projected:	40						FY 07 Target: 40	
FY07 Quarterly Projections:	1 st Qtr:	30	2nd Qtr:	10	3 rd Qtr:	0	4 th Qtr:	0
Quality	Respond to 90% of the written inquiries by staff, utility representatives and consumers within 30 days						% of responses within 30 days	
FY 07 Projected:	0.9						FY 07 Target: 90	
FY07 Quarterly Projections:	1 st Qtr:	90	2nd Qtr:	90	3 rd Qtr:	90	4 th Qtr:	90
	Render 100% of the written recommendations that must be made on contested matters within 90 days of the submission of the final pleadings						% of recommendations within 90 days	
FY 07 Projected:	1						FY 07 Target: 100	
FY07 Quarterly Projections:	1 st Qtr:	100	2nd Qtr:	100	3 rd Qtr:	100	4 th Qtr:	100
	Respond to 90% of the verbal inquiries by staff, utility representatives and consumers by the next business day						% of responses by next day	
FY 07 Projected:	0.9						FY 07 Target: 90	
FY07 Quarterly Projections:	1 st Qtr:	90	2nd Qtr:	90	3 rd Qtr:	90	4 th Qtr:	90
	Respond to 90% of complaints within 5 business days						% of responses within 5 days	
FY 07 Projected:	0.9						FY 07 Target: 90	
FY07 Quarterly Projections:	1 st Qtr:	90	2nd Qtr:	90	3 rd Qtr:	90	4 th Qtr:	90

PSC Statutory Authority

Statutory authority for operation of the Public Service Commission was too voluminous to include in this report. Please refer to the *Code of Alabama 1975*, Title 37 (Public Utilities)

PSC Motor Carrier Exemptions (Code of Al, Section 37-3-4)

§ 37-3-4. Exemptions.

(1)a. School buses or other motor vehicles which are owned by county boards of education or under contract with county boards of education, regardless of whether or not the school buses and other motor vehicles are being used exclusively for the transportation of school children and school teachers to and from school and provided the school buses and other motor vehicles do not take on passengers for fare on a certificated route.

b. Motor vehicles for hire while operating wholly within the limits of a city or incorporated town or within the police jurisdiction thereof, or between two or more incorporated towns or cities whose city limits join or are contiguous or whose police jurisdictions join or are contiguous.

c. Motor vehicles while used in the transportation of property when the owner of the vehicle is legally and regularly engaged in the business of selling such property and is the owner and has the legal title to the motor vehicle involved, also motor vehicles if engaged in hauling milk, livestock, coal, coke, logs, lumber, poles, pulpwood, cotton in bales, cottonseed, fertilizer, peanuts, potatoes, or any other agricultural commodity of any kind (but not manufactured products thereof); or motor vehicles hauling road materials and paid by the State of Alabama, or paid by any county or other political subdivision thereof, or paid by any contractor performing work for the State of Alabama, or any county or other political subdivision thereof, for a distance not exceeding 50 miles; and motor vehicles used exclusively in the transportation of milk in thermal or artificially cooled bodies or containers; except, that this subsection shall not be construed to exempt from the provisions of Chapter 19 of Title 40 any motor carrier who operates under a certificate or permit granted under the authority of the Alabama Public Service Commission.

All motor vehicles hauling property for hire and which are in any respect exempt under paragraph a. of this subdivision (1) must, before transporting any exempt property, secure a permit from the Department of Revenue of the State of Alabama, which permit may be furnished without cost upon proper application where there are no legal objections thereto; and a permit shall be issued under reasonable rules and regulations promulgated by the Department of Revenue of the State of Alabama.

(2) Motor vehicles owned or operated by or on behalf of hotels and used exclusively for the transportation of hotel patrons.

(3) Motor vehicles owned and operated by the United States, this state or any county, municipality, or other political subdivision of this state.

(4) Motor vehicles controlled and operated by any farmer while used in the transportation of agricultural commodities and products thereof, whether for personal use or another farmer, or in the transportation of supplies to or from the farm.

(5) Motor vehicles controlled and operated by a bona fide cooperative association as defined by the General Agricultural Marketing Act, approved June 15, 1929, as amended, or organized or existing under any state cooperative marketing act, while used exclusively in the conduct of the business of the association.

(6) Motor vehicles while used exclusively in the transportation of newspapers and magazines and United States mail.

(7) Motor vehicles owned by a farmer used occasionally in transporting household goods and furniture.

(8) Motor vehicles, except taxicabs or airport limousines, used primarily for hauling 14 or fewer passengers to and from their regular places of employment, including the organizers, sponsors or promoters of the vehicles where the operator of the vehicle is not otherwise engaged in transportation for hire and is engaged in a not-for-profit operation, provided, that the Alabama Public Service Commission may require the operators of the motor vehicles to register with the Public Service Commission, and the commission may inspect these motor vehicles as it deems necessary for purposes of safety.

(9) Church-owned buses used for carrying passengers to and from religious services, regardless of size and capacity.

(b) In addition to all other exclusions and exemptions from the application of this chapter, there are hereby exempted from the operation and provisions of this chapter ambulances, hearses, and wrecker services wherever used or operated in this state.

(c) No motor carrier who transports property exclusively in open-top dump truck and trailers without pneumatic loading and unloading devices shall be subject to any provisions of this chapter which require the filing of tariffs, schedules of charges, contracts, or the establishment or participation in any published rates. Nothing contained herein, however, shall exempt any motor carrier providing service in vehicles from complying with all other provisions of this chapter, unless otherwise provided by this chapter.

(d) No house mover or motor carrier of houses and other intact buildings shall be

subject to any provision of this chapter which requires the filing of tariffs, schedules of charges, contracts, or the establishment or participation in any published rates. A house mover or motor carrier of houses or other intact buildings shall be subject to all remaining provisions of this chapter.

(e) Motor carriers who transport passengers for any nonprofit educational, religious, or charitable institution, society or corporation, or for any nonprofit literary, or scientific institution, or public institution, society, or corporation, or other organizations with tax exempt status by the federal government pursuant to 26 U.S.C.A. § 501(c), including their organizers, sponsors, or promoters shall be exempted from the provisions of this chapter while transporting persons pursuant to an otherwise lawful contract or agreement. The provisions of subsection (d) of Section 37-3-20, as amended, shall not be applicable for that service or transportation except as herein provided. The agreement or contract shall not be declared invalid because it is not in compliance with any tariff, schedule of rates, or contracts prescribed by this chapter and no penalties, fines, assessments, or recovery of charges below any required rates, or waived entirely, shall be recovered from the motor carrier or such passenger. Provided, however, that the Alabama Public Service Commission may require the operators of the motor vehicle to register with the Public Service Commission and the commission may inspect these motor vehicles as it deems necessary for purposes of safety, insurance, and visibility of the name of owner or operator of the vehicle. Any motor carrier who transports any nonprofit group passengers shall file quarterly reports with the Public Service Commission, listing the names and addresses of the nonprofit organization, corporation, institution, or society and the organizers, sponsors, or promoters, if any, together with the date and its published fare, rate and charges for each group. The report shall be cumulative only for the quarter filing as prescribed by the commission.

Any carriage heretofore or hereafter conducted by motor carriers exclusively in their vehicles pursuant to an otherwise lawful agreement shall not be declared invalid because it was not in compliance with any tariff, schedule of rates, or contracts required by this chapter and no penalties, fines, assessments, or recovery of charges in excess of or below any prescribed rates may be levied against or recovered by any shipper or motor carrier as a result of the carriage.

(Acts 1939, No. 669, p. 1064, § 2; Code 1958, T. 48, §§ 301(2), 301(2a); Acts 1949, No. 76, p. 103; Acts 1949, No. 101, p. 128; Acts 1951, No. 932, p. 1600; Acts 1953, No. 265, p. 330; Acts 1955, 2nd Ex. Sess., No. 34, p. 140; Acts 1955, No. 547, p. 1204; Acts 1961, Ex. Sess., No. 215, p. 2218; Acts 1978, 2nd Ex. Sess., No. 13, p. 1689, § 1; Acts 1980, No. 80-744, p. 1515; Acts 1984, No. 84-373, p. 874; Acts 1985, No. 85-688,

p. 1103; Acts 1993, No. 93-752, p. 1503, § 1; Acts 1993, 1st Ex. Sess., No. 93-918, p. 219, § 1.)

Dual Party Relay System Statutes (Code of Al Section 37-1-80.2)

§ 37-1-80.2. Dual party relay system and fund; board of trustees; funding of other services; liability of trustees. [Historical Notes](#)

(a) The Alabama Public Service Commission shall impose a surcharge on each access line of each customer of the local exchange companies operating in Alabama to fund a dual party relay system whereby a deaf or hearing-impaired person may communicate with other such persons or with hearing persons via telephone. The fee may be imposed by order of the Alabama Public Service Commission on the access line.

(b) The Alabama Public Service Commission shall establish the amount to be imposed based on the amount of funding necessary to implement and maintain such system. However, no additional fees other than the surcharge may be imposed on any user of this deaf and hearing-impaired service.

(c) The local exchange companies shall collect the surcharge from their customers and transfer the moneys collected to a private fund to be held separate from all other funds and used solely for the administration of this system. The fund shall be known as the Dual Party Relay Fund and shall be administered as provided in subsections (e), (f), and (g). The surcharge collected by the local exchange companies from their customers shall not be subject to the utility gross receipts tax levied under Sections 40-21-80 through 40-21-87 or the utility use tax levied under Sections 40-21-100 through 40-21-107, nor shall such collections be included in the gross receipts subject to tax under Section 40-21-58 or the supervision and inspection fees under Sections 37-4-23 and 37-4-24.

(d) The Alabama Public Service Commission shall be charged with implementation of the dual party relay system within the state and shall establish the procedures for its continuation.

(e) The Dual Party Relay Fund shall be governed by the Dual Party Relay Fund Board of Trustees. Those individuals serving as members of the governing committee of the Dual Party Relay Fund as of July 1, 2006, shall continue to serve as trustees. On behalf of the Dual Party Relay Fund, the trustees may select an administrator, service provider, and auditing firm, and may obtain other services and execute such other contracts as may be necessary to carry out their duties; provided, however, that such

contracts shall not be considered public contracts or obligations of the State of Alabama and shall not be subject to the rules governing such contracts. All costs associated with the implementation of the system and the functions of the Dual Party Relay Fund and its board of trustees, including, without limitation, any insurance costs, shall be paid out of the Dual Party Relay Fund. The trustees shall not be paid for their service, but shall be reimbursed for their actual and reasonable expenses in carrying out their duties. The trustees shall submit an annual report to the Alabama Public Service Commission regarding the condition of the fund, which shall include a copy of an annual audit.

(f) As part of its administration of the dual party relay system, the trustees may authorize the funding of other telephone services to people who are deaf, hard of hearing, deaf/blind and speech impaired, including the provision of informational services to the blind; provided, however, that no existing service provided to the deaf or hearing impaired shall be terminated or curtailed as a result of any such additional program.

(g) Absent negligence, wantonness, recklessness, or deliberate misconduct, a trustee shall not be subject to civil liability for any act or omission in carrying out his or her duties as a trustee. In addition, those trustees who are officials or employees of the Alabama Public Service Commission shall receive the benefit of any immunities that would normally apply to such official or employee in carrying out his or her official duties.

(h) Nothing in this section shall invalidate contracts entered into prior to July 1, 2006, which contracts are hereby ratified and confirmed.
(Acts 1988, No. 88-259, p. 400; Act 2006-384, §§ 1, 2.)

HISTORICAL NOTES

HISTORY

Amendment notes:

The 2006 amendment, effective July 1, 2006, in subsection (a) substituted "dual party" for "dual-party", deleted "normal" following "or with", and added the second sentence; in subsection (b) substituted "the surcharge" for "said surcharge"; in subsection (c) inserted the second sentence; in subsection (d) substituted "the dual party" for "such dual-party", and substituted "its continuation" for "continuation of same"; and added subsections (e)-(h).

Code Commissioner's Notes

Section 40-21-58, referred to in subsection (c), was repealed by Acts 1992, No. 92-623, § 16, effective September 30, 1992. As to utility gross receipts tax in general, see § 40-21-80 et seq.

Commission Members



JIM SULLIVAN, PRESIDENT
JAN COOK, ASSOCIATE COMMISSIONER
GEORGE C. WALLACE, JR., ASSOCIATE COMMISSIONER

STATE OF ALABAMA
ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 304260
MONTGOMERY, ALABAMA 36130-4260

WALTER L. THOMAS, JR.
SECRETARY

May 18, 2007

Mr. Tony Yarbrough
Examiner of Public Accounts
Department of Examiners of
Public Accounts
P. O. Box 302251
Montgomery, AL 36130-2251

Dear Mr. Yarbrough:

At your request, I am listing below the Commission's three elected officials, the chief administrative officer, and legal counsel of the Public Service Commission:

President

Jim Sullivan
P. O. Box 134
Montgomery, Alabama 36101

Term: February 1983 through present

Term expires: November 2008

Associate Commissioner I

Jan Cook
Capitol Towers
7 Clayton Street
Apartment 9B
Montgomery, Alabama 36104

Term: November 1990 through present

Term expires: November 2010

Mr. Tony Yarbrough
May 18, 2007
Page Two

Associate Commissioner 2

Susan D. Parker
3409 Cloverdale Road
Montgomery, AL 36104

Term: November 2006 through present

Term expires: November 2010

Chief Administrative Officer

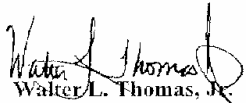
Walter L. Thomas, Jr.
7137 Old Southwick Place
Montgomery, Alabama 36117

Commission Attorney

Judge John Garner
Chief Administrative Law Judge
448 Merry Way
Pike Road, Alabama 36064

If you need additional information, please let me know.

Sincerely,


Walter L. Thomas, Jr.
Secretary of the Commission

WLT:sh

Commission Response to Significant Items

(No response received)